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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 December 31, 2022

or

[☐] Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission file number - 1-11353

LABORATORY CORPORATION OF AMERICA HOLDINGS

(Exact name of registrant as specified in its charter)

Delaware	**13-3757370**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
358 South Main Street **Burlington, North Carolina**	**27215**
(Address of principal executive offices)	(Zip Code)

(Registrant's telephone number, including area code) **336-229-1127**

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

Title of each class	Trading Symbol	Name of exchange on which registered
Common Stock, $0.10 par value	LH	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 [X] 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 [X].

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 [X] 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 [X] 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 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. Yes ☒ No [ ].

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

As of June 30, 2022, the aggregate market value of the common stock held by non-affiliates of the registrant was approximately $20.2 billion, based on the closing price on such date of the registrant’s common stock on the New York Stock Exchange.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: 88.5 million shares as of February 27, 2023.

DOCUMENTS INCORPORATED BY REFERENCE

List hereunder the following documents if incorporated by reference and the Part of the Form 10-K into which the document is incorporated:

Portions of the Registrant’s Notice of Annual Meeting and Proxy Statement to be filed no later than 120 days following December 31, 2022, are incorporated by reference into Part III.

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Summary of Material Risks

Laboratory Corporation of America® Holdings together with its subsidiaries (Labcorp® or the Company) is subject to a variety of risks and uncertainties, including risks that could have a material adverse effect on its business, consolidated financial condition, revenues, results of operations, profitability, reputation, and cash flows. This summary should be read together with the more detailed description of the risks that the Company deems material described under "Risk Factors" in Item 1A of this Annual Report on Form 10-K (Annual Report) and should not be relied upon as an exhaustive summary of the material risks facing the Company's business. In addition to the following summary, investors should carefully consider all of the information set forth in this Annual Report before deciding to invest in any of the Company's securities. The risks below are not the only ones that the Company faces. Additional risks not presently known to the Company, or that it presently deems immaterial, may also negatively impact the Company. This Annual Report also includes forward-looking statements, immediately following this risk summary, that involve risks or uncertainties. The Company's results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere.

Risks Related to the Company's Business Including Global Economic and Geopolitical Factors

a. General or macro-economic factors in the United States (U.S.) and globally may have a material adverse effect upon the Company, and significant fluctuations in the economy, inflation and an increase in the costs of goods and services could negatively impact testing volumes, drug development services, cash collections, profitability, and the availability and cost of credit.
b. Operations may be disrupted and adversely impacted by the effects of adverse weather, natural disasters, geopolitical events, public health crises, hostilities or acts of terrorism, acts of vandalism, disruption to supply chains, access to natural resources, and other catastrophic events outside of the Company's control.
c. An inability to attract and retain experienced and qualified personnel, including key management personnel, and increased personnel costs, could adversely affect the Company's business.
d. Continued changes in healthcare reimbursement models and products, changes in government payment and reimbursement systems, or changes in payer mix, including an increase in third-party benefits management programs and value-based payment models, could have a material adverse effect on the Company's revenues, profitability, and cash flow.
e. Changes in government regulation or in practices relating to the pharmaceutical, biotechnology or medical device industries could decrease the need for certain services that the Company provides.
f. Increased competition, including price competition, could have an adverse effect on the Company's revenues and profitability.
g. Failure to obtain and retain new customers, the loss of existing customers or material contracts, or a reduction in services or tests ordered or specimens submitted by existing customers, or the inability to retain existing and/or create new relationships with health systems could impact the Company's ability to successfully grow its business.
h. Discontinuation or recalls of existing testing products, failure to develop or acquire licenses for new or improved testing technologies, or the Company's customers using new technologies to perform their own tests, could adversely affect the Company's business.
i. Changes or disruption in services, supplies, or transportation provided by third parties could adversely affect the Company's business.
j. A failure to identify and successfully close and integrate strategic acquisition targets could have a material adverse effect on the Company's business objectives and its revenues and profitability.
k. Unfavorable labor environments, union strikes, work stoppages, union or works council negotiations, or failure to comply with labor or employment laws could adversely affect the Company's operations and have a material adverse effect upon the Company's business.
l. Continued and increased consolidation of pharmaceutical, biotechnology and medical device companies, health systems, physicians, and other customers could adversely affect the Company's business.
m. Damage or disruption to the Company's facilities could adversely affect the Company's business.

Risks Related to Financial Matters

a. The Company bears financial risk for contracts that, including for reasons beyond the Company's control, may be underpriced, subject to cost overruns, delayed, terminated or reduced in scope.
b. A significant increase in the Company's days sales outstanding could have an adverse effect on the Company's business, including its cash flow, by increasing its bad debt or decreasing its cash flow.
c. The Company's Drug Development segment revenues depend on the pharmaceutical, biotechnology and medical device industries, including those industries' R&D spending, ability to raise capital, reimbursement from governmental programs or commercial payers, and trends and other economic conditions affecting those industries.
d. Foreign currency exchange fluctuations could have a material adverse effect on the Company's business.

e. The Company’s uses of financial instruments to limit its exposure to interest rate and currency fluctuations could expose it to risks and financial losses that may adversely affect the Company’s financial condition, liquidity, and results of operations.
f. The Company’s level of indebtedness could adversely affect the Company’s liquidity, results of operations and business.

Risks Related to the Planned Spin-off of the Company's Clinical Development and Commercialization Services Business

a. The planned spin-off of the Company’s Clinical Development and Commercialization Services business may not be completed on the terms or timeline currently contemplated, if at all, and may not achieve the intended results.

Risks Related to Regulatory and Compliance Matters

a. Changes in payer regulations or policies, insurance regulations or approvals, or changes in or interpretations of, other laws, regulations or policies in the U.S. or globally may have a material adverse effect upon the Company.
b. The Company could face significant monetary damages and penalties and/or exclusion from government programs if it violates anti-fraud and abuse laws.
c. The Company’s business could be harmed from the loss or suspension of a license or imposition of fines or penalties under, or future changes in, or interpretations of, the law or regulations of the Clinical Laboratory Improvement Act of 1967, and the Clinical Laboratory Improvement Amendments of 1988 (CLIA), or those of Medicare, Medicaid or other national, state, or local agencies in the U.S. and other countries where the Company operates laboratories.
d. Failure of the Company or its third-party service providers to comply with privacy and security laws and regulations could result in fines, penalties, and damage to the Company’s reputation with customers and have a material adverse effect upon the Company’s business.
e. The Company’s international operations could subject it to additional risks and expenses that could have a material adverse impact on the business or results of operations, including exposure to liabilities under tax, trade, anti-corruption, and data privacy laws.
f. Failure to comply with the regulations of drug regulatory agencies could result in fines, penalties, and sanctions and have a material adverse effect upon the Company.
g. Increased regulations and restrictions on the import and supply of research animals, actions of animal rights activists, diseases in research animal populations, and the failure to conduct animal research in compliance with applicable laws and regulations could have a material adverse effect upon the Company.
h. U.S. Food and Drug Administration (FDA), European Union and other regulation of diagnostic products and medical devices, including laboratory-developed tests, could result in increased costs, fines, and penalties.
i. Failure to comply with national, state, local or international environmental, health and safety laws and regulations, including the U.S. Occupational Safety and Health Administration Act, and the U.S. Needlestick Safety and Prevention Act, could result in fines and penalties.

Risks Related to Technology and Cybersecurity

a. Failure to maintain the security of information relating to the Company, or its customers, patients, or vendors, whether as a result of cybersecurity attacks on the Company’s information systems or otherwise, could damage the Company’s reputation, cause it to incur substantial additional costs, result in litigation and enforcement actions, and materially adversely affect the Company’s business and operating results.
b. Failure or delays in the Company’s information technology systems, including the failure to develop and implement updates and enhancements to those systems, could disrupt the Company’s operations or customer relationships.
c. The Company depends on third parties to provide services critical to the Company's business, and depends on them to comply with applicable laws and regulations. Breaches of the information technology systems of third parties could have a material adverse effect on the Company's operations.

Risks Related to Legal Matters

a. Adverse results in material litigation matters could have a material adverse effect upon the Company’s business.
b. The failure to successfully obtain, maintain and enforce intellectual property rights and defend against challenges to the Company’s intellectual property rights could adversely affect the Company.
c. Changes in tax laws and regulations or the interpretation of such may have a significant impact on the financial position, results of operations and cash flows of the Company.
d. If the Company fails to perform contract research services in accordance with contractual requirements and regulatory standards, the Company could be subject to significant costs or liability.

Risks Related to the COVID-19 Pandemic

a. The ongoing COVID-19 pandemic has created significant volatility, uncertainty, and economic disruption that could have an adverse effect on the Company’s business and financial position, human capital resources, and reputation if the Company’s continued response is not appropriate or is perceived by customers to be inadequate.

FORWARD-LOOKING STATEMENTS

In this Annual Report, the Company makes, and from time to time may otherwise make in its public filings, press releases and discussions by Company management, forward-looking statements concerning the Company's operations, performance and financial condition, as well as its strategic objectives. Some of these forward-looking statements relate to future events and expectations and can be identified by the use of forward-looking words such as "believes", "expects", "may", "will", "should", "seeks", "approximately", "intends", "plans", "estimates", or "anticipates" or the negative of those words or other comparable terminology. Such forward-looking statements speak only as of the time they are made and are subject to various risks and uncertainties and the Company claims the protection afforded by the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from those currently anticipated due to a number of factors in addition to those discussed elsewhere herein, including in the "Summary of Material Risks" above and in the "Risk Factors" section of this Annual Report, and in the Company's other public filings, press releases, and discussions with Company management, including:

1. changes in government and third-party payer regulations, reimbursement, or coverage policies or other future reforms in the U.S. healthcare system (or in the interpretation of current regulations), new insurance or payment systems, including state, regional or private insurance cooperatives (e.g., health insurance exchanges) affecting governmental and third-party coverage or reimbursement for commercial laboratory testing, including the impact of the U.S. Protecting Access to Medicare Act of 2014 (PAMA);
2. significant monetary damages, fines, penalties, assessments, refunds, repayments, damage to the Company's reputation, unanticipated compliance expenditures, and/or exclusion or debarment from or ineligibility to participate in government programs, among other adverse consequences, arising from enforcement of anti-fraud and abuse laws and other laws applicable to the Company in jurisdictions in which the Company conducts business;
3. significant fines, penalties, costs, unanticipated compliance expenditures, and/or damage to the Company's reputation arising from the failure to comply with applicable privacy and security laws and regulations, including the U.S. Health Insurance Portability and Accountability Act of 1996, the U.S. Health Information Technology for Economic and Clinical Health Act, the European Union's General Data Protection Regulation and similar laws and regulations in jurisdictions in which the Company conducts business;
4. loss or suspension of a license or imposition of fines or penalties under, or future changes in, or interpretations of applicable licensing laws or regulations regarding the operation of clinical laboratories and the delivery of clinical laboratory test results, including, but not limited to, the U.S. Clinical Laboratory Improvement Act of 1967 and the U.S. Clinical Laboratory Improvement Amendments of 1988 and similar laws and regulations in jurisdictions in which the Company conducts business;
5. penalties or loss of license arising from the failure to comply with applicable occupational and workplace safety laws and regulations, including the U.S. Occupational Safety and Health Administration requirements, the U.S. Needlestick Safety and Prevention Act, and similar laws and regulations in jurisdictions in which the Company conducts business;
6. fines, unanticipated compliance expenditures, suspension of manufacturing, enforcement actions, damage to the Company's reputation, injunctions, or criminal prosecution arising from failure to maintain compliance with current good manufacturing practice regulations and similar requirements of various regulatory agencies in jurisdictions in which the Company conducts business;
7. sanctions or other remedies, including fines, unanticipated compliance expenditures, enforcement actions, injunctions or criminal prosecution arising from failure to comply with the Animal Welfare Act or applicable national, state and local laws and regulations in jurisdictions in which the Company conducts business;
8. changes in testing guidelines or recommendations by government agencies, medical specialty societies, and other authoritative bodies affecting the utilization of laboratory tests;
9. changes in applicable government regulations or policies affecting the approval, availability of, and the selling and marketing of diagnostic tests, drug development, or the conduct of drug development and medical device and diagnostic studies and trials, including regulations and policies of the U.S. Food and Drug Administration, the U.S. Department of Agriculture, the Medicine and Healthcare products Regulatory Agency in the United Kingdom, the National Medical Products Administration in China, the Pharmaceutical and Medical Devices Agency in Japan, the European Medicines Agency, the European Union and similar regulations and policies of agencies in other jurisdictions in which the Company conducts business;
10. changes in government regulations or reimbursement pertaining to the pharmaceutical, biotechnology and medical device and diagnostic industries, changes in reimbursement of pharmaceutical products, or reduced spending on research and development by pharmaceutical, biotechnology and medical device and diagnostic customers;

11. liabilities that result from the failure to comply with corporate governance requirements;
12. increased competition, including price competition, potential reduction in rates in response to price transparency initiatives and consumerism, competitive bidding and/or changes or reductions to fee schedules, and competition from companies that do not comply with existing laws or regulations or otherwise disregard compliance standards in the industry;
13. changes in payer mix or payment structure or process, including insurance carrier participation in health insurance exchanges, an increase in capitated reimbursement mechanisms, the impact of clearinghouses on the claims reimbursement process, the impact of a shift to consumer-driven health plans or plans carrying an increased level of member cost-sharing, and adverse changes in payer reimbursement or payer coverage policies (implemented directly or through a third-party utilization management organization) related to specific diagnostic tests, categories of testing or testing methodologies;
14. failure to retain or attract MCO business as a result of changes in business models, including risk based or network approaches, out-sourced laboratory network management or utilization management companies, or other changes in strategy or business models by MCOs;
15. failure to obtain and retain new customers, an unfavorable change in the mix of testing services ordered, or a reduction in tests ordered, specimens submitted, or services requested by existing customers, and delays in payments from customers;
16. consolidation and convergence of customers, competitors, and suppliers, potentially causing material shifts in insourcing, utilization, pricing, reimbursement and supply chain access;
17. failure to effectively develop and deploy new systems, system modifications or enhancements required in response to evolving market and business needs;
18. customers choosing to insource services that are or could be purchased from the Company;
19. failure to identify, successfully close and effectively integrate and/or manage acquisitions of new businesses or failure to maintain key customers and/or employees as a result of uncertainty surrounding the integration of acquisitions;
20. inability to achieve the expected benefits and synergies of newly-acquired businesses, including due to items not discovered in the due diligence process, and the impact on the Company's cash position, levels of indebtedness and stock price;
21. termination, loss, delay, reduction in scope or increased costs of contracts, including large contracts and multiple contracts;
22. liability arising from errors or omissions in the performance of testing services, contract research services or other contractual arrangements;
23. changes or disruption in the provision or transportation of services or supplies provided by third parties; or their termination for failure to follow the Company's performance standards and requirements;
24. damage or disruption to the Company's facilities;
25. damage to the Company's reputation, loss of business, or other harm from acts of animal rights activists or potential harm and/or liability arising from animal research activities;
26. adverse results in litigation matters;
27. inability to attract and retain experienced and qualified personnel or the loss of significant personnel as a result of illness, increased competition for talent, wage growth, or other market factors;
28. failure to develop or acquire licenses for new or improved technologies, such as point-of-care testing, mobile health technologies, and digital pathology, or potential use of new technologies by customers and/or consumers to perform their own tests;
29. substantial costs arising from the inability to commercialize newly licensed tests or technologies or to obtain appropriate coverage or reimbursement for such tests;
30. failure to obtain, maintain, and enforce intellectual property rights for protection of the Company's products and services and defend against challenges to those rights;
31. scope, validity, and enforceability of patents and other proprietary rights held by third parties that may impact the Company's ability to develop, perform, or market the Company's products or services or operate its business;

32. business interruption, receivables impairment, delays in cash collection impacting days sales outstanding, supply chain disruptions or inventory obsolescence, increases in material cost or other operating costs, or other impacts on the business due to natural disasters, including adverse weather, fires and earthquakes; political crises, including terrorism and war; public health crises and disease epidemics and pandemics; changes in the global economy; and other events outside of the Company's control;

33. discontinuation or recalls of existing testing products;

34. a failure in the Company's information technology systems, including with respect to testing turnaround time and billing processes, or the failure of the Company or its third-party suppliers and vendors to maintain the security of business information or systems or to protect against cybersecurity attacks such as denial of service attacks, malware, ransomware, and computer viruses, or delays or failures in the development and implementation of the Company’s automation platforms, any of which could result in a negative effect on the Company’s performance of services, a loss of business or increased costs, damages to the Company’s reputation, significant litigation exposure, an inability to meet required financial reporting deadlines, or the failure to meet future regulatory or customer information technology, data security and connectivity requirements;

35. business interruption, increased costs, and other adverse effects on the Company's operations due to the unionization of employees, union strikes, work stoppages, general labor unrest or failure to comply with labor or employment laws;

36. failure to maintain the Company's days sales outstanding levels, cash collections (in light of increasing levels of patient responsibility), profitability and/or reimbursement arising from unfavorable changes in third-party payer policies, payment delays introduced by third-party utilization management organizations, and increasing levels of patient payment responsibility;

37. impact on the Company's revenues, cash collections, and the availability of credit for general liquidity or other financing needs arising from a significant deterioration in the economy or financial markets or in the Company's credit ratings by Standard & Poor's and/or Moody's;

38. failure to maintain the expected capital structure for the Company, including failure to maintain the Company's investment grade rating, or leverage ratio covenants under its revolving credit facility;

39. changes in reimbursement by foreign governments and foreign currency fluctuations;

40. inability to obtain certain billing information from physicians, resulting in increased costs and complexity, a temporary disruption in receipts, and ongoing reductions in reimbursements and revenues;

41. expenses and risks associated with international operations, including, but not limited to, compliance with the U.S. Foreign Corrupt Practices Act (FPCA), the U.K. Bribery Act, other applicable anti-corruption laws and regulations, trade sanction laws and regulations, and economic, political, legal and other operational risks associated with foreign jurisdictions;

42. failure to achieve expected efficiencies and savings in connection with the Company's business process improvement initiatives;

43. changes in tax laws and regulations or changes in their interpretation;

44. global economic conditions and government and regulatory changes;

45. risks associated with the impact, timing, expected benefits and costs, or terms of the planned spin-off of the Company’s Clinical Development and Commercialization Services (CDCS) business, which includes the parts of its DD segment focused on providing Phase I-IV clinical trial management, market access, and technology solutions to pharmaceutical and biotechnology organizations, including but not limited to (i) uncertainties as to the completion and timing of the transaction; (ii) the failure to obtain appropriate assurances regarding the tax-free nature of the spin-off; (iii) the failure to obtain receipt of required regulatory approvals; (iv) the effect of the announcement or pendency of the transaction on the Company’s business relationships, operating results, and business generally; (v) unexpected issues that arise in the continued planning for the transaction; (vi) the failure to have the Form 10 registration statement that will be filed with the SEC declared effective on a timely basis, or at all; (vii) risks that the proposed transaction disrupts current plans and operations of Labcorp or CDCS; (viii) potential difficulties attracting or retaining Company or CDCS employees as a result of the spin-off announcement, pendency or completion of the spin-off; (ix) risks related to diverting management’s attention from the Company and CDCS’ ongoing business operations; (x) the ability of the Company to successfully separate CDCS operations from the Company’s ongoing operations; (xi) market receptiveness to effect transactions in the capital markets; and (xii) market reaction to the announcement and planning for the transaction; and

46. the effects, duration, and severity of the ongoing COVID-19 pandemic, including the impact on operations, personnel, supplies, liquidity, and collections, as well as the impact of past or future actions or omissions by the Company or governments in response to the COVID-19 pandemic and damage to the Company's reputation or loss of business resulting from the perception of the Company's response to the COVID-19 pandemic.

Except as may be required by applicable law, the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Given these uncertainties, one should not put undue reliance on any forward-looking statements.

PART I

Item 1. BUSINESS

Labcorp® is a leading global life sciences company that provides vital information to help doctors, hospitals, pharmaceutical companies, researchers, and patients make clear and confident decisions. By leveraging its unparalleled diagnostics and drug development capabilities, the Company provides insights and accelerates innovations to improve health and improve lives. With more than 80,000 employees, the Company serves clients in more than 100 countries.

Through its Labcorp Diagnostics (Dx) and Labcorp Drug Development (DD) segments, the Company provides diagnostic, drug development, and technology-enabled solutions for more than 160 million patient encounters per year, or more than 3 million per week. In addition, the Company supports clinical trial activity through its world-class central laboratory, preclinical, and clinical development businesses. The Company's capabilities enable it to play a leading role in advancing healthcare across the globe.

The significant reach, breadth, and advancement of the Company's offerings have resulted in Base Business revenue growth of 2.8% from 2021 through 2022 and 5.9% versus 2019 CAGR. Base Business includes the Company's business operations except for COVID-19 Testing. The Company believes that its diversified offerings help to balance the impact of changes in the global economic and healthcare systems and due to global geopolitical events.

For the period ended December 31, 2022, the Company generated revenues of $14,876.8 million, diluted earnings per share of $13.97, and had a total operating cash flow of $1,955.9 million.

The Company believes that science, technology, and innovation drive its continued success, differentiate the Company, and are foundational to its future. They are critical to the Company's ability to carry out its mission to improve health and improve lives.

Strategic Review of Company Structure and Capital Allocation Strategy

In March 2021, the Company announced the undertaking of a comprehensive review by its board of directors (the Board) and management team of the Company's structure and capital allocation strategy. In December 2021, the Company announced the Board's conclusion, as well as actions that the management team and the Board would take to enhance shareholder returns. These actions have included:

- initiating a dividend in the second quarter of 2022, as well as subsequent dividends paid in the third and fourth quarters of 2022, with total dividend payments for 2022 in the amount of $195.2 million;
- authorizing a $2.50 billion share repurchase program. As part of this program, $1.0 billion was repurchased under an accelerated share repurchase plan in 2021, and a total of $1.1 billion of stock was repurchased in 2022, representing approximately 4.7 million shares;
- implementing a new LaunchPad business process improvement initiative, targeting savings of $350.0 million through 2025;
- providing a longer-term outlook in connection with the announcement of the Company's 2021 year-end results in addition to the Company's annual guidance;
- providing additional business insights through enhanced disclosures beginning with the Company's results for the first quarter of 2022; and
- continuing a commitment to profitable growth through investments in science, innovation, and new technologies; and

On July 28, 2022, the Company announced that it would pursue a planned spin-off of its Clinical Development and Commercialization Services (CDCS) business, as further discussed below.

Management and the Board are committed to continuing to evaluate all avenues for enhancing shareholder value.

The updated capital allocation plan is designed to enable the Company to continue investment in key growth areas. This plan is expected to fuel growth through innovation by using the Company's unique data and insights to bring scientific advancements—both those developed internally and those developed by outside companies and scientists—to market at scale. It reflects the Board's confidence in the Company's strong balance sheet and cash flow generation profile, as well as the Board's commitment to deploying capital to enhance value for shareholders, patients, providers, and pharmaceutical customers worldwide.

Spin-Off of the Company's CDCS Business

On July 28, 2022, the Company announced that the Board authorized the Company to pursue a spin-off of the Company’s wholly owned CDCS business to its shareholders through a tax-free transaction. The planned spin-off will result in two independent companies, each poised for strong, sustainable growth. On January 9, 2023, Thomas (Tom) Pike joined the Company as president and chief executive officer of its DD Clinical Development business unit, and when the planned spin-off is complete, Mr. Pike will become the chief executive officer and chairman of the board of directors of the independent,

publicly listed company. On February 9, 2023, the Company announced that the name of the CDCS business will become Fortrea in connection with the planned spin-off.

The Company is targeting completion of the planned spin-off in mid-2023. The planned spin-off will be subject to the satisfaction of certain customary conditions, including, among others, the receipt of final approval by the Company's Board, the receipt of appropriate assurances regarding the tax-free nature of the separation and effectiveness of any required filings with the U.S. Securities and Exchange Commission (SEC). There can be no assurances regarding the ultimate timing of the transaction or that the spin-off will be completed.

When the transaction is complete, the resulting companies will be Labcorp, comprising the Company’s routine and esoteric labs, central labs and early development research labs, and Fortrea, a global contract research organization (CRO) providing Phase I-IV clinical trial management, market access and technology solutions to pharmaceutical and biotechnology organizations.

The planned spin-off is expected to provide each company with:

- strengthened strategic flexibility and operational focus to pursue specific market opportunities and better meet customer needs;
- focused capital structures and capital allocation strategies to drive innovation and growth;
- a more targeted investment opportunity for different investor bases; and
- the ability to align its particular incentive compensation with its financial performance.

Following the planned spin-off, the Company believes that Labcorp will be positioned to:

- invest in R&D and innovation to develop and launch diagnostic advancements globally in key clinical areas including oncology, Alzheimer's, and autoimmune and liver disease through organic and inorganic opportunities;
- bring together its global health and patient data and provide insights to enable customers to innovate;
- utilize its worldwide laboratory network to serve a broad, growing and global customer base including pharmaceutical and biotechnology companies, physicians, health systems, consumers, and other start-ups and laboratories that require lab services or diagnostic testing; and
- launch innovative tests globally, providing patients, physicians, health systems and pharmaceutical companies with access to its advanced science, technology and diagnostic capabilities.

Following the planned spin-off, the Company believes that Fortrea will be positioned to:

- capitalize on growth opportunities across Phases I-IV clinical trials and extend its leadership in oncology, cell and gene therapy, rare disease, and other emerging therapeutic areas;
- increase agility with large pharmaceutical and biotechnology clients to better serve customers and advance life-saving therapies;
- access to unique data sets and insights through an arrangement with the Company for a defined period of time which will enable Fortrea to provide enhanced trial execution and a differentiated value proposition;
- invest in capabilities, technologies, diverse talent and innovation to enhance trial execution and better serve all of its customers; and
- implement a capital structure that is tailored to support its growth strategy and enhance stakeholder value.

The planned spin-off is intended to qualify as a tax-free transaction for U.S. federal income tax purposes. See “Risk Factors - Risks Related to the Planned Spin-off of the Company’s Clinical Development and Commercialization Services Business.”

Enterprise Strategy

The Company provides vital information to help its customers make clear and confident health decisions. Through its science, data, and global laboratory network, the Company accelerates and advances innovations in testing and treatments to improve patient care.

The Company is expanding its role in the rapidly evolving healthcare market by strengthening its positions across its portfolio of capabilities, growing strategic opportunities that drive new business, and differentiating its unique offerings, capabilities, and financial performance. To do so, the Company is focusing on executing the following strategic priorities, which have evolved to reflect its operations and strategic vision:

1. *Build on the Company's Leadership in Oncology*

The field of oncology receives significant investment in research, development, and treatment, yet it remains an area of great unmet medical need. The Company believes the diagnosis and treatment of cancer will be the fastest-growing therapeutic area in the near future.

With the increased adoption of precision medicine, health and cancer care providers are relying on advanced testing to identify patients who will benefit from new, targeted treatments and therapies that are more effective and often have fewer side effects than chemotherapy and other traditional treatments. Since forming an oncology business unit and launching an enterprise oncology platform in 2021, the Company has become an oncology leader. By focusing its diagnostic and drug development services on the fight against cancer, the Company is delivering targeted solutions that power better decision and improved patient outcomes. The Company believes it maintains the broadest portfolio and capabilities in oncology diagnostics today. The Company intends to accelerate its leadership and enhance its offerings, particularly in genomic testing, personalized medicine and liquid biopsy. The Company is also leveraging its oncological capabilities and platforms to progress its work in other areas, including neurodegenerative disease, autoimmune and liver diseases, and cell and gene therapy.

In 2022, the Company completed its acquisition of Personal Genome Diagnostics (PGDx), a provider of comprehensive liquid biopsy and tissue-based genomic products and services. The acquisition of PGDx enhances the Company's precision diagnostic portfolio and its ability to increase access to oncology care globally. In addition, the Company continues to realize benefits from its portfolio of OmniSeq products such as OmniSeq INSIGHT, a comprehensive genomic and immune profiling, tissue-based test that integrates next-generation sequencing (NGS) technology.

2. Differentiate Through Digital and Data

The healthcare and life sciences industries remain among the most significantly impacted by technological advancements. By maximizing the use of advances in artificial intelligence (AI), data, digitalization, and analytics in compliance with applicable regulations, the Company strives to improve operating efficiency and business performance, and to create new, differentiated products and services that the Company believes will help its customers and deliver better care to patients.

The Company is using AI to better identify and predict trends such as the timing and location of demand shifts for certain tests. In doing so, the Company is supporting an efficient use of supplies, staffing, and the Company’s advanced logistics used to route testing to the most appropriate laboratories and quickly deliver results. AI capabilities and advanced logistics have played, and are expected to continuing playing, an important role in the Company’s response to periods of heightened demand for COVID-19 polymerase chain reaction (PCR) testing.

The Company creates, and has access to, significant volumes of data. By applying advanced analytics to its data in compliance with data privacy regulations, the Company can help its customers improve their processes and reach better outcomes. The Company’s repository of test results help study sponsors assess patients' eligibility for clinical trials more quickly and accurately, enroll those patients faster, shorten the time needed for regulatory submission, and accelerate the availability of new medicines. Data is also being used by the Company to advance science and the public's understanding of certain treatments and illnesses.

Digitalization continues to be an area of focus for the Company as it responds to the use of technology-enabled tools and services by healthcare providers, patients and pharmaceutical companies for absorbing, handling, and disseminating information. These services include decentralized clinical trials, which offer the potential to remove barriers that may have slowed or prevented studies from being conducted in the past. Decentralized clinical trials can also make trial participation an option for more people, including individuals from underrepresented populations.

In the U.S., the Company continues to improve its patients' experience in patient service centers (PSCs) by creating a seamless digital journey from appointment scheduling to results delivery. With an average of 3 million patients served in a given week, the Company strives to enhance their experience using its digital channels.

3. Drive Customer Centricity

The Company serves a broad range of customers, including managed care organizations (MCOs), pharmaceutical, biotechnology, medical device and diagnostics companies, governmental agencies, physicians and other healthcare providers, hospitals and health systems, employers, patients and consumers, CROs, and independent clinical laboratories. The Company continues to focus on its customers, anticipate their needs, and deliver valuable solutions that help them achieve their goals.

The Company prioritizes a consistent, coordinated focus across all aspects of its operations, placing the customer at the center of its services, with the objective of becoming the customer's primary partner for solutions to their needs. In an effort to provide a leading customer experience, the Company seeks customer feedback, communicates best practices and lessons learned, and provides robust employee training with respect to the needs of its customers.

The Company routinely introduces new products, services, and initiatives that benefit its customers. For example, the Company launched a new test in mid-2022 to assist in the identification and confirmation of neurodegenerative disease and neuronal injury. The Company also expanded access to its services in the Midwestern U.S. with the opening of a new laboratory, and it announced plans to expand its laboratory footprint in Japan. In addition, the Company continues to experience

growing demand for its consumer-initiated wellness testing available through Labcorp OnDemand, and it believes its pipeline of innovative, consumer-focused offerings is strong.

4. Expand Globally

The Company has a long history of disciplined use of capital to invest in the growth of the business and intends to grow its business globally by leveraging its advanced laboratory network, scientific capabilities, health data and insights, and its results-oriented culture to achieve better health for all people.

The Company has made significant investments in the deployment of new technologies through both licensing and internal research and development, as well as strategic and tuck-in acquisitions. The Company has also invested in establishing collaborative partnerships with other leading companies and organizations that share the Company's goals and expectations.

The Company continually evaluates its business and the broader healthcare and life sciences markets to proactively identify and assess:

- potential growth opportunities;
- business areas that might not support continued growth and should be revamped or divested;
- acquisition targets that meet its criteria for quality, value, and return on investment;
- new products that would successfully integrate with or extend the Company's offerings; and
- a balanced formula for capital allocation.

Through a continued focus on these strategic priorities, reinforced through the Company's capital allocation plan, the Company expects to be in an optimal position to make disciplined choices that maximize shareholder value, better protect the Company from market fluctuations and outside impacts, and fuel significant and profitable short- and long-term revenue growth.

COVID-19 Pandemic Response

The Company has supported the fight against COVID-19 since the earliest stages of the pandemic, and it continues to play an important role in ongoing response efforts.

In 2022, the Company further expanded access to COVID-19 testing and continued to support the development of COVID-19 vaccines and therapies.

The Company received FDA Emergency Use Authorization (EUA) for multiple innovations during the year. In June, the Company was granted FDA EUA for its next-generation sequencing test used to identify specific SARS-CoV-2 lineages. This was the first test authorized for the identification and differentiation of SARS-CoV-2 Phylogenetic Assignment of Named Global Outbreak (PANGO) lineages, which are genetic variations in circulating virus strains. The Company also received FDA EUA for the first non-prescription, at-home collection kit for combined COVID-19, flu and respiratory syncytial virus (RSV) detection. These achievements built on the Company's first COVID-19-related FDA EUA, which was received on March 16, 2020, for COVID-19 PCR testing, the FDA EUA in April 2020 for the Pixel by Labcorp® COVID-19 test home collection kit, and in December 2020 for over-the-counter purchase of these home collection kits.

The Company's additional contributions to the pandemic response in 2022 included assisting in the identification and monitoring of COVID-19 variants and spikes in confirmed cases, as well as expanding no-cost access to at-home test collections for individuals who met clinical guidelines. The Company maintained its ability to quickly scale up COVID-19 PCR testing capacity throughout the year, even during periods of reduced demand. In doing so, the Company was able to immediately and effectively respond to surges in positive cases and testing needs. The Company performed approximately 13 million COVID-19 PCR tests and 1 million antibody tests in 2022, and since the start of the pandemic has performed approximately 74 million COVID-19 PCR tests and 9 million antibody tests.

COVID-19 Outlook

COVID-19 has had, and continues to have, a substantial impact on the global health and economic environments. The Company continues to closely monitor the impact of the COVID-19 pandemic on all aspects of its business, given continued unpredictability, corresponding state, local and federal government restrictions and policies, the continued emergence of new variants that may cause increases in cases that may impact the Company, and the potential for shifts in customer behavior.

While the Company anticipates that COVID-19 will continue impacting its business in 2023 and potentially beyond, the Company expects a continued decline in demand for COVID-19 Testing, with the potential for increases in demand at different times and across different geographies. As a result, COVID-19 Testing demand in 2023 is not predicted to match 2022 levels.

Capital Allocation

The Company believes it has a strong track record of deploying capital to investments that enhance the Company's business and return capital to shareholders.

During 2022, the Company invested $1,164.0 million in strategic business acquisitions. The acquisitions have expanded the Company’s service offerings, expanded its customer and revenue mix, and strengthened and broadened the scope of its geographic presence. The Company continues to evaluate acquisition opportunities that leverage the Company’s core competencies, complement existing scientific and technological capabilities, increase the Company’s presence in key geographic, therapeutic and strategic areas, and meet or exceed the Company’s financial criteria.

During 2022, the Company repurchased 5.6 million shares of its common stock at an average price of $233.48 for a total cost of $1,100.0 million. This included 0.9 million shares which were repurchased in 2022 but were part of the $1,000.0 million Accelerated Share Repurchase (ASR) Program paid for in 2021. At the end of 2022, the Company had outstanding authorization from the Board to purchase $531.5 of Company common stock. On February 7, 2023, the board of directors adopted a new share repurchase plan authorizing up to $1,000.0 of the Company's shares in addition to the remaining amount outstanding under the previous plan. The repurchase authorization has no expiration. The repurchase authorization has no expiration date.

During 2022, capital expenditures were $481.9 million. The Company expects capital expenditures in 2023 to be approximately 3.5% of revenues, primarily in connection with projects to support growth in the Company's core businesses, facility expansion and updates, projects related to its LaunchPad initiative, and further acquisition integration initiatives.

The Company will continue to evaluate opportunities for strategic deployment of capital in light of market conditions.

Seasonality and External Factors

The Company experiences seasonality across its business. For example, testing volume generally declines during the year-end holiday period and other major holidays and can also decline due to inclement weather or natural disasters. Declines in testing volume reduce revenues, operating margins and cash flows. Operations are also impacted by changes in the global economy, exchange rate fluctuations, political and regulatory changes, the progress of ongoing studies and the startup of new studies, as well as the level of expenditures made by the pharmaceutical, biotechnology and medical device industries in R&D. As discussed in more detail elsewhere in Item 1, COVID-19 impacted the Company in 2022. This impact included the effect of the Company’s response to the virus through its testing and drug development services, as well as the effect of COVID-19 on the global economy and demand for the Company’s non-COVID-19 services.

In 2022, approximately 14.7% of the Company's revenues were billed in currencies other than the U.S. dollar, with the Swiss franc, British pound, Canadian dollar, and the euro representing the largest components of its currency exposure.

Given the seasonality and changing economic factors impacting the business, comparison of the results for successive quarters may not accurately reflect trends or results for the full year.

Company Reporting

The Company’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports are made available free of charge through the Investor Relations section of the Company’s website at www.labcorp.com as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. Additionally, the SEC maintains a website at http://www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers, including the Company, that file electronically with the SEC.

The matters discussed in this “Business” section should be read in conjunction with the Consolidated Financial Statements found in Item 8 of Part II of this Annual Report, which include additional financial information about the Company. This Annual Report includes forward-looking statements that involve risks or uncertainties. The Company’s results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risk factors described in Item 1A of Part I of this Annual Report and elsewhere. For more information about forward-looking statements, see “Forward-Looking Statements” included prior to Part I in this Annual Report.

The Company's Business

Due primarily to a decrease in COVID-19 testing, the Company experienced a reduction in revenues and other key financial metrics in 2022. However, by the end of the year, the Company saw accelerated revenue growth in Dx, continued strong underlying fundamentals in DD and margin expansion.

In Millions, Except Per Share Data	Years Ended December 31,	
	2022	2021
Revenues	$ 14,876.8	$ 16,120.9
Gross profit	$ 4,385.1	$ 5,624.3
Operating income	$ 1,773.9	$ 3,259.5
Net earnings attributable to Laboratory Corporation of America Holdings	$ 1,279.1	$ 2,377.3
Cash flows from operating activities	$ 1,955.9	$ 3,109.6
Basic earnings per common share	$ 14.05	$ 24.60
Diluted earnings per common share	$ 13.97	$ 24.39

The Company reports its business in two segments, Dx and DD. In 2022, Dx and DD contributed 61% and 39%, respectively, of revenues to the Company, and in 2021 contributed 64% and 36%, respectively. Nearly all of Dx's revenues are generated in the U.S., with a smaller portion in Canada and a relatively small amount in the rest of the world. DD's revenues are nearly evenly split between the U.S. and the rest of the world, with approximately 48% derived from the U.S. and approximately 52% from other countries. Although this allocation of revenues provides some protection from economic shifts in any one country, it is still heavily tilted towards the U.S. As a result, the Company continues to actively explore new and expanded business opportunities outside the U.S. to further diversify its sources of revenues. The Company's revenues by segment payers/customer groups and by geography for the years ended December 31, 2022, 2021 and 2020 are as follows:

	For the Year Ended December 31, 2022				For the Year Ended December 31, 2021				For the Year Ended December 31, 2020			
	North America	Europe	Other	Total	North America	Europe	Other	Total	North America	Europe	Other	Total
Payer/Customer												
Dx												
Clients	18 %	— %	— %	18 %	17 %	— %	— %	17 %	20 %	— %	— %	20 %
Patients	6 %	— %	— %	6 %	6 %	— %	— %	6 %	6 %	— %	— %	6 %
Medicare and Medicaid	6 %	— %	— %	6 %	7 %	— %	— %	7 %	7 %	— %	— %	7 %
Third party	31 %	— %	— %	31 %	34 %	— %	— %	34 %	32 %	— %	— %	32 %
Total Dx revenues by payer	61 %	— %	— %	61 %	64 %	— %	— %	64 %	65 %	— %	— %	65 %
DD												
Pharmaceutical, biotechnology and medical device companies	19 %	13 %	7 %	39 %	17 %	13 %	6 %	36 %	17 %	11 %	7 %	35 %
Total revenues	80 %	13 %	7 %	100 %	81 %	13 %	6 %	100 %	82 %	11 %	7 %	100 %

During the fourth quarter of 2022, the Company modified the segment performance measure to exclude the amortization of intangibles and other assets, restructuring and other charges, goodwill and other asset impairments, and certain corporate charges for items such as transaction costs, COVID-19 costs, and other special items. These changes align with how the CODM now evaluates segment performance and allocates resources. Prior periods have been conformed for comparability.

Dx Segment

During 2022, the Dx segment generated $9,203.5 million in total revenues and $2,025.5 million in segment operating income, resulting in an operating margin of 22.0%.

In Millions	Year Ended December 31,	
	2022	2021
Revenues	$ 9,203.5	$ 10,363.6
Dx segment operating income	$ 2,025.5	$ 3,205.6

Dx is an independent clinical laboratory business. It offers a comprehensive menu of frequently requested core testing and specialty testing through an integrated network of primary and specialty laboratories across the U.S. and Canada. This network is supported by a sophisticated information technology system, with more than 80,000 electronic interfaces to deliver test

results, nimble and efficient logistics, and local labs offering rapid response testing.

Dx also provides patient access points that are strategically and conveniently located throughout the U.S., including more than 2,000 PSCs and more than 6,000 in-office phlebotomists located in customer offices and facilities. Although testing for healthcare purposes and customers who provide healthcare services represents the most significant portion of the clinical laboratory industry, clinical laboratories also perform testing for other purposes and customers, including employment and occupational testing, DNA testing to determine parentage and to assist in immigration eligibility determinations, environmental testing, wellness testing, toxicology testing, pain management testing, and medical drug monitoring. Dx offers an expansive test menu that includes a wide range of clinical, anatomic pathology, genetic and genomic tests, and regularly adds new tests and improves the methodology of existing tests to enhance patient care. Dx also offers consumer-initiated wellness testing available online through its Labcorp OnDemand™ platform. The Pixel by Labcorp® COVID-19 PCR and combined COVID-19 + flu at-home collection kits are also available through Labcorp OnDemand. Dx typically processes tests for more than 3 million patient encounters each week.

As part of an ongoing commitment to be an efficient and high-value provider of laboratory services, Dx implemented a comprehensive business process improvement initiative known as LaunchPad. The initiative was designed to reengineer the Company's systems and processes to create a sustainable and more efficient business model, and to improve the experience of all stakeholders. Dx's LaunchPad initiative delivered approximately $200 million in net savings for the period of late 2018 through the end of 2021.

The Dx business can be categorized into the following components:

Service	Key Features
Testing Operations and Productivity	• Network of PSCs offering specimen collection services • Comprehensive, nimble supply chain for transferring specimens across the entire life cycle of a patient sample • 1-2 day turnaround time for most test results, with the vast majority of results delivered electronically to healthcare providers and to patients who have a Labcorp Patient™ account • Rigorous standard of quality - 24 regional/specialty labs hold ISO 15189 certification, 3 labs hold ISO 13485 certification, and one lab holds both
Testing and Related Services	• **Standard Testing Services** - frequently-ordered tests used in regular patient care include blood chemistry analyses, urinalyses, blood cell counts, thyroid tests, PAP tests, hemoglobin A1C, prostate-specific antigen (PSA), tests for sexually transmitted diseases (e.g. chlamydia, gonorrhea, trichomoniasis and human immunodeficiency (HIV), and hepatitis C (HCV)), vitamin D, microbiology cultures and procedures, and alcohol and other substance abuse tests • **Specialty Testing Services** - industry leader in gene-based and esoteric testing; advanced tests target specific diseases and use new technologies; services include anatomic pathology/oncology, cardiovascular disease, coagulation, diagnostic genetics, endocrinology, infectious disease, women's health, pharmacogenetics, parentage and donor testing, occupational testing services, medical drug monitoring services, chronic disease programs, and kidney stone prevention • Dx offers a range of health and wellness services to employers and MCOs, including health fairs, on-site and at-home testing, vaccinations and health screenings
Development of New Tests	• More than 130 new tests launched in 2022 • Active diagnostics and therapeutics research division: approximately 650 studies, articles, and presentations produced in 2022 • Continuous investing, internally and externally, in new testing technologies and advanced testing capabilities
Technology-Enabled Services and Support	A range of services and support using proprietary technologies to improve the customer and patient experience and provide convenient access to data and analytics, including: • Nearly 6.5 million enhanced clinical decision support (CDS) reports delivered to physicians and health systems • Online and mobile applications improving the patient experience by allowing patients to schedule PSC visits, check-in upon arrival, complete documentation, access test results, and manage their accounts • Online applications for MCOs and accountable care organizations (ACOs) to obtain test results and population and health management data

Effect of U.S. Market Changes on the Clinical Laboratory Business

The delivery of, and reimbursement for, healthcare continues to change in the U.S., impacting all stakeholders, including the clinical laboratory business. Medicare (which principally serves patients who are 65 and older), Medicaid (which principally serves low-income patients) and insurers have increased their efforts to control the cost, utilization and delivery of healthcare services. Measures to regulate healthcare delivery in general and clinical laboratories in particular have resulted in reduced prices, added costs, increased coverage denials and claims edits, and decreased test utilization for the clinical laboratory industry by imposing new, increasingly complex regulatory and administrative requirements. The government also has continued to adjust the Medicare and Medicaid fee schedules at the national and local level, and the Company believes that pressure to reduce government reimbursement will continue.

Fees for most laboratory services reimbursed by Medicare are established in the Clinical Laboratory Fee Schedule (CLFS) and fees for other testing reimbursed by Medicare, primarily related to pathology, are covered by the Physician Fee Schedule (PFS). During 2022, approximately 8.9% of Dx's revenue was reimbursed under the CLFS (8.5% in 2021), and approximately 0.4% was reimbursed under the PFS (0.4% in 2021). Dx has experienced governmental reimbursement reductions as a direct result of several Congressional acts and regulatory initiatives. These laws include provisions designed to control healthcare expenses reimbursed by government programs through a combination of reductions to fee schedules, incentives to physicians to participate in alternative payment models such as risk-sharing, and new methods to establish and adjust fees.

The most significant of these developments was the Protecting Access to Medicare Act (PAMA), which became law on April 1, 2014, and which went into effect on January 1, 2018. Beginning in 2018, under PAMA, the Centers for Medicare and Medicaid Services (CMS) of the U.S. Department of Health and Human Services (HHS) set the CLFS using the weighted median of reported private payer prices paid to certain laboratories that receive a majority of their Medicare revenue from the CLFS and PFS and that bill Medicare under their own National Provider Identifier (NPI). Applicable labs, including Dx, were required to begin reporting their test-specific private payer payment amounts to CMS during the first quarter of 2017. CMS used that private market data to calculate weighted median prices for each test (based on applicable current procedural technology (CPT) codes) to represent the new CLFS rates beginning in 2018, subject to certain phase-in limits. For 2018 through 2020, a test price could not be reduced by more than 10.0% per year. PAMA resulted in a net reduction in reimbursement revenue of approximately $245.0 million between 2018-2020 from all payers affected by the CLFS.

Due to enactment of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) passed by Congress on March 27, 2020, the Medicare reimbursement cuts that would have occurred under PAMA in 2021 were delayed by one year. In 2021, Dx realized an increase of approximately $0.3 million in PFS revenue as a result of the provisions included in the Omnibus Appropriations and Coronavirus Relief Package. In 2021, Dx realized an additional increase of approximately $5.8 million in aggregate Medicare reimbursement associated with the suspension of sequestration through December of 2021, as a result of provisions included in the Omnibus Appropriations and Coronavirus Relief Package that were extended as a result of an Act to Prevent Across-the-Board Direct Spending Cuts.

On December 10, 2021, President Biden signed into law the Protecting Medicare and American Farmers from Sequester Cuts Act, which delayed by one additional year the data reporting requirements and Medicare reimbursement cuts that would have occurred under PAMA in 2022, resulting in a 0% update to the CLFS in 2022. In 2022, Dx realized a decrease of approximately $0.4 million in PFS revenue driven by reductions in reimbursement for flow cytometry procedures and a decrease of approximately $10.0 million in aggregate Medicare reimbursement associated with the phased in reinstitution of sequestration as a result of provisions included in the Protecting Medicare and American Farmers from Sequester Cuts Act.

The Protecting Medicare and American Farmers from Sequester Cuts Act also included mitigations to several other non-PAMA Medicare cuts in addition to delaying Medicare reimbursement cuts under PAMA. It delayed the 4% Medicare cuts that would otherwise have occurred in 2022 under statutory "pay-as-you-go," or PAYGO, rules to offset the cost of the American Rescue Plan Act by one year. In addition, it delayed the resumption of the 2% Medicare sequestration until April 1, 2022, and reduced to 0.75% the previous 3.75% reduction to PFS reimbursement that was scheduled for 2022. To offset the cost, the Medicare sequestration was increased to 2.25% for January through June of 2030, and to 3.0% for July through December 2030.

On December 29, 2022, President Biden signed into law H.R. 2617, the Consolidated Appropriations Act, 2023, which delayed by one additional year the data reporting requirements and Medicare reimbursement cuts that would have occurred under PAMA in 2023, resulting in a 0% update to the CLFS for 2023. The Consolidated Appropriations Act, 2023 also included mitigations to several other non-PAMA Medicare cuts in addition to delaying Medicare reimbursement cuts under PAMA. It delayed until October 1, 2024 the 4% Medicare cuts that would otherwise have been effective January 1, 2023 under PAYGO rules. In addition, it mitigated PFS cuts in 2023 and 2024 to by 2.5% and 1.25%, respectively, that would otherwise have been (4.47%) in 2023 based on the conversation factor put forward in the 2023 Medicare PFS Final Rule. To offset the

cost, it extended the 2% Medicare sequestration through the first six months of 2032 and set the sequestration percentage at 2% in fiscal years 2030 and 2031.

In 2023, Dx anticipates a net PFS revenue increase of 0.8% ($0.3 million) from the 2023 PFS Final Rule, driven by a (2.0%) change to the PFS conversion factor that is offset by net positive changes in relative value units (RVUs) for flow cytometry and changes to RVUs for other PFS procedures. The 2023 PFS Final Rule also included an increase in the CLFS fee for specimen collection by venipuncture from $3.00 to $8.57, which is estimated to increase Dx CLFS revenue for specimen collection by $38.6 million in 2023.

Pursuant to PAMA as amended, for 2024 through 2026, a CLFS test price cannot be reduced by more than 15.0% per year (excluding non-PAMA reimbursement changes). CLFS rates for 2027 and subsequent periods will not be subject to phase-in limits. The phase-in of rates for Clinical Diagnostic Laboratory Tests (CDLTs) established in 2018 will resume in 2024. New CLFS rates will be established in 2025 based on data from 2019 to be reported in 2024. New CLFS rates will be established in 2028 based on data from 2026 to be reported in 2027. CLFS rates for Advanced Diagnostic Laboratory Tests will be updated annually.

The American Clinical Laboratory Association (ACLA) filed a federal civil action in 2017 challenging the legal basis for the data collection methodology CMS used to derive the data from which the median prices were calculated. On July 15, 2022, the U.S. Court of Appeals for the D.C. Circuit ruled in favor of ACLA on the merits, finding that CMS harmed laboratories by collecting data in an arbitrary and capricious manner, but refused to grant relief due to PAMA's statutory bar on judicial review of establishment of the rates.

Since the initial data collection, CMS has revised its PAMA regulations to increase the number of hospital outreach labs that will be required to report private market data in future collections. Reports by the U.S. Government Accountability Office (GAO), the HHS Office of Inspector General (OIG), and the Medicare Payment Advisory Commission (MedPAC) on PAMA implementation have identified certain instances of actual or potential increased Medicare expenditures under PAMA, as well as potential alternative methodologies for data collection under PAMA, which could result in further efforts to amend PAMA by Congress.

ACLA has continued to work with Congress on potential legislative reform of PAMA, which if adopted could reduce the negative impact of PAMA as currently implemented by CMS. Under the Laboratory Access for Beneficiaries (LAB) Act, MedPAC was required to conduct a study and make recommendations to Congress on ways to improve data collection, reporting, and rate setting under PAMA to achieve, in a less burdensome manner, CLFS rates that accurately and fairly reflect private market rates. MedPAC's June 2021 report to Congress included an analysis of potential statistical sampling methodologies that could accomplish that objective, and ACLA incorporated the concept in PAMA reform proposals to Congress. On June 22, 2022, the Saving Access to Laboratory Services Act (S. 4449 H.R. 8188) was introduced in both the U.S. Senate and the U.S. House of Representatives to provide for permanent reform of PAMA incorporating many of ACLA's proposals. The Company supports the ongoing efforts to prevent or lessen the negative impact of the changes to the CLFS pursuant to PAMA, and the full impact of those efforts, but what the long-term effect will be on the CLFS rates is not yet known.

Further healthcare reform could occur in 2023, including changes to the Patient Protection and Affordable Care Act (ACA) and Medicare reform, as well as administrative requirements that may continue to affect coverage, reimbursement, and utilization of laboratory services in ways that are currently unpredictable.

In addition, market-based changes have affected and will continue to affect the clinical laboratory business. Reimbursement from commercial payers for diagnostic testing may shift away from traditional, fee-for-service models to alternatives, including value-based, bundled pay-for-performance, and other risk-sharing payment models. The growth of the managed care sector and consolidation of MCOs present various challenges and opportunities to Dx and other clinical laboratories. Dx's ability to attract and retain MCO customers has become even more important as the impact of various healthcare reform initiatives continues, including expanded health insurance exchanges and ACOs.

The Company serves many MCOs. These organizations have different contracting philosophies, which are influenced by the design of their products. Some MCOs contract with a limited number of clinical laboratories and engage in direct negotiation of rates. Other MCOs adopt broader networks with generally uniform fee structures for participating clinical laboratories. In some cases, those fee structures are specific to independent clinical laboratories, while the fees paid to hospital-based and physician-office laboratories may be different, and are typically higher. MCOs may also offer Managed Medicare or Managed Medicaid plans. In addition, some MCOs use capitation rates to fix the cost of laboratory testing services for their enrollees. Under a capitated reimbursement arrangement, the clinical laboratory receives a per-member, per-month payment for an agreed upon menu of laboratory tests, or based upon the proportionate share earned by the clinical laboratory from a capitation pool. When the agreed upon reimbursement is based solely on an established rate per member, revenue is not impacted by the volume of

testing performed. Under a capitation pool arrangement, the aggregate value of an established rate per member is distributed based on the volume and complexity of the procedures performed by laboratories participating in the agreement. For the year ended December 31, 2022, capitated contracts with MCOs accounted for approximately $332.3 million, or 3.2%, of Dx's revenues.

In addition to reductions in test reimbursement, the Company also anticipates potential declines in test volumes as a result of increased controls over the utilization of laboratory services by Medicare, Medicaid, and other third-party payers, particularly MCOs. MCOs are implementing, directly or through third parties, various types of laboratory benefit management programs, which may include laboratory networks, utilization management tools (such as prior authorization and/or prior notification), and claims edits, which impact coverage and reimbursement of clinical laboratory tests. Some of these programs address clinical laboratory testing broadly, while others are focused on certain types of testing, including molecular, genetic and toxicology testing. In addition, continued movement by patients into consumer-driven health plans may have an impact on the utilization of laboratory testing. Test volumes in 2023 could also change compared to 2022 and 2021 if demand for SARS-CoV-2 testing changes.

Helping to balance the overall negative market changes regarding reimbursement discussed above, the Company believes that the volume of clinical laboratory testing is positively influenced by several factors, including an increase in the number and types of tests that are readily available (due to advances in technology and increased cost efficiencies) for the diagnosis of disease, and the general aging of the U.S. population. Periodic infectious disease outbreaks such as the SARS-CoV-2 virus also have the potential to generate additional testing volume in the future, and enhance stakeholders' appreciation for the value of laboratory testing in combating future potential outbreaks. Dx believes that its enhanced and growing esoteric menu of tests, leading position with companion diagnostics, broad geographic footprint, and operating efficiency make it well positioned for growth due to a number of market factors, primarily related to a continued drive to improve outcomes and reduce costs across the healthcare system, including but not limited to greater price transparency required under "surprise billing" laws and regulations requiring disclosure of hospital charges.

DD Segment

During 2022, the DD segment generated $5,710.2 million in total revenue and $801.1 million in segment operating income, resulting in an operating margin of 14.0%.

In Millions	Year Ended December 31,	
	2022	**2021**
Revenues	$ 5,710.2	$ 5,845.5
DD segment operating income	$ 801.1	$ 887.1

DD provides end-to-end drug development, medical device and companion diagnostic development solutions from early-stage research to clinical development and commercial market access. Its customers are comprised of pharmaceutical, biotechnology, medical device, and diagnostic companies across the world. With a global network of operations, DD offers deep expertise in early development and clinical trials in each therapeutic area. DD had provided support for 90% of the new drugs and therapeutic products approved in 2022 by the U.S. FDA, including 100% of those specific to oncology and 87% of those submitted by biotechnology companies. Through its industry-leading central laboratory business, it supports clinical trial activity in approximately 100 countries.

Service	Key Features
Preclinical Services	• **Lead optimization**: connects early discovery activities to regulated pre-clinical studies • **Analytical services**: bioanalytical testing services offering appropriate dose and frequency of drug administration • **Safety assessment**: general, genetic, and immunotoxicology services; nonclinical pathology; safety pharmacology services; preclinical medical device services; respiratory services; and developmental and reproductive toxicology (DART) studies • **Chemistry manufacturing services**: robust, cost-effective solutions in the areas of safety, identity, strength, quality, and purity assessments for biologics • **Early phase development solutions**: focused, multidisciplinary teams of experts that craft integrated solutions to identify and develop lead drug candidates and reduce development challenges • **Crop protection and chemical testing**: Consulting services for chemical manufacturers and other firms engaged in the development of modern crop protection technology
Central Laboratory Services	• Clinical laboratory services for individuals participating in clinical studies • Provided to biopharmaceutical customers through its global network of central laboratories in the U.S., Europe, and Asia • Operates world's largest automated clinical trial sample collection kit production line that enables kits to be produced with 5.5 sigma precision • Six ISO 15189-certified laboratories
Clinical Development and Commercialization Services	• Comprehensive range of services including the full-service delivery of Phase I through IV clinical studies, along with a wide offering of functional service provider solutions • Dedicated group experienced in conduct of trials for medical devices and diagnostics to provide services for expanding market in medical devices • Leader in clinical pharmacology • Wide range of commercialization solutions including life cycle management and post-approval studies • Market access solutions
Technology Solutions	Proprietary digital tools and services providing customers with greater access to key insights and results, as well as improved trial management, enhanced transparency, quality, and speed of clinical trials, resulting in reduced costs and increased market potential for customers: • Patient-facing software applications supporting virtual, hybrid, and traditional trials • Metrics and benchmarking applications for trial performance monitoring and optimization • Award-winning informatics software suite for risk-based quality management across clinical trials • Patient randomization and Clinical Supply Management

Human Capital

Mission and Culture

Labcorp believes in the power of science to change lives. The Company’s culture centers around its mission to improve health and improve lives. The Company's more than 80,000 employees serve clients in over 100 countries. They are essential to the Company’s ability to innovate and advance science and technology to empower patients, providers, and pharmaceutical companies to make clear and confident decisions. Engaging the collective expertise and passion of its employees is vital to achieving the Company’s mission, which permeates its performance-driven, collaborative, inclusive, customer-centered, and inquisitive culture.

Workforce Demographics

The Company’s success depends on its sustained ability to attract, develop, and retain a highly specialized and skilled global workforce. Employees are globally dispersed, with 77% in the U.S. and Canada, 11% in Asia, 11% in Europe, the Middle East, and Africa, and 1% in Latin America. Of the Company’s global workforce, 88% of employees are full time, and 12% are part time. 3.3% of Labcorp’s global workforce is employed under a collective bargaining agreement. Depending on business demand and the talent-hiring environment, Labcorp supplements up to 8% of its workforce with contingent workers.

The challenges of 2022, felt globally, also presented the Company with significant challenges in acquiring and retaining talent. Despite these obstacles, Labcorp’s global workforce increased by more than 10% from a combination of organic growth and adding employees through acquisitions. The majority of Labcorp's hires are sourced through an internal talent acquisition

team. The Company made significant investments to retain talent and enable the organization to meet the business needs for growth, which are discussed further in the section below on “Compensation and Benefits.”

Throughout the COVID-19 pandemic, the majority of employees who do not work with patients, animals, in labs, or in logistics, worked remotely. This includes call center employees, customer service teams, sales teams, and corporate and functional teams. While some employees returned to on-site work in 2022, the Company expects that a significant number of employees will continue working remotely, or through hybrid, in-office and remote work arrangements. The Company believes that flexibility in work location and arrangements expands the pool from which it can source experienced and valuable talent.

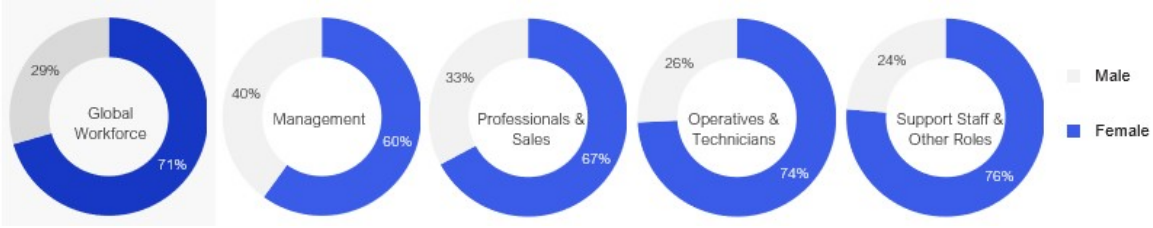
Diversity and Inclusion

Labcorp's diverse, global talent is core to its ability to innovate and meet patient and customer needs. The Company believes that the diversity of its employees and its inclusive programs contribute to a healthy, productive, and respectful work environment.

Workforce Diversity Profile:

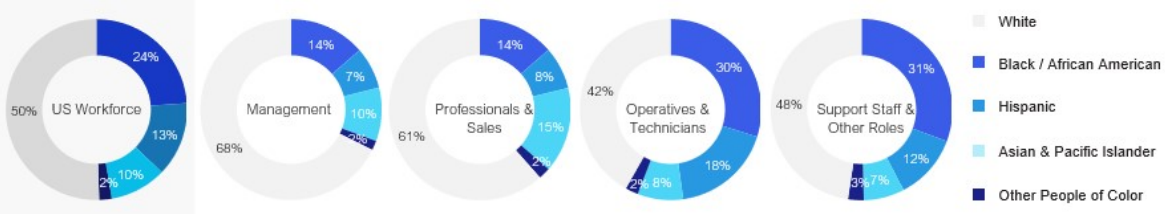
Gender, Ethnicity, and Race

Global Workforce by **GENDER**



U.S. Workforce by **GENDER**

U.S. Workforce by **RACE & ETHNICITY**



The Company has a Diversity and Inclusion (D&I) strategic framework, with three overarching pillars of focus: empowering inclusive leadership; developing and sustaining a diverse talent pipeline; and creating an environment for engagement across the Company and in its communities. Labcorp’s D&I strategy is designed as a continuing journey to maintain and further evolve its inclusive workforce consistent with the changing dynamics of the global workforce. Highlights of actions supporting the Company’s D&I framework that it believes will foster a more inclusive environment and strengthen its culture include:

- the continuation of an unconscious bias training program designed to improve self-awareness of personal biases. The program was rolled out globally in 2021 to all of the Company's people leaders, and more than 6,000 have completed the training through 2022. Labcorp also deployed Global Harassment training to over 70,000 employees;
- diversity metrics shared quarterly with senior leaders, and establishment of D&I plans at the segment level;

- monthly meeting of the Company's D&I advisory council, consisting of a cross section of leaders to learn about, and be advocates for, our initiatives;
- a formal mentoring initiative that includes a Reverse Diverse Mentoring program that received the Gold Award in the category of Best Advance in Mentoring to Develop Diverse Leaders from the Brandon Hall Group in 2021;
- continued offerings of leadership development programs for women in senior management through the vice president level, and the second annual virtual women's summit for executive women leaders;
- continued global expansion of Employee Resource Groups (ERGs). ERGs are led by employee volunteers and are important resources to foster cross-company connections, encourage belonging, support career development, and champion employee voices. The Company now has eight unique ERGs with 106 chapters in 15 countries, growing by more than 30 local chapters from 2021. Each ERG has executive sponsorship from senior leadership; and
- celebration of different cultures, constituencies, and observances throughout the year, including a “Days of Understanding” series in partnership with ERGs and in alignment with CEO Action, a business-led initiative to advance diversity, equity and inclusion in the workplace.

The Company was named to FORTUNE® magazine's 2022 List of World's Most Admired Companies, making the annual list for the fourth time. Labcorp also made the Forbes 2022 list of World's Best Employers for the third consecutive year, as well as the Forbes 2022 List of Best Employers for New Graduates. In 2022, the Company was recognized for the fifth consecutive year as a Best Place to Work for LGBTQ+ Equality, with a score of 100% on the Human Rights Campaign Foundation's Corporate Equality Index. The Index is the nation's foremost benchmarking survey and report on corporate policies and practices related to LGBTQ+ workplace equality.

The Company was also named as a Best Place to Work for Disability Inclusion by the Disability Equality Index and one of Newsweek's 2022 America's Most Responsible Companies.

The Company has also implemented opportunities for greater engagement between employees and management. These include quarterly global town halls that are held virtually and are open to all employees, interactions with front-line employees on visits to the Company's facilities, and in-person town halls with employees in select business units. In early 2022, the Company initiated a Voice of the Employee Survey. Responses were received from nearly 50% of Company employees across 64 countries. The insights provided by employees are being used to make improvements in the virtual onboarding experience for new employees, introduction of a modern global human resources portal, and a reimagined U.S. benefits portal to help employees to better evaluate their benefits options.

Compensation

The Company operates in a complex, global, and dynamic life sciences industry and believes that its compensation and benefits programs must continue to be competitive and flexible to attract and retain the caliber of talent needed to sustainably grow the business. In 2022, the Company’s workforce grew by over 10%. The Company believes that its ability to expand the workforce in 2022 provides support that the Company's compensation and benefit strategies are competitive and support the Company's ability to attract and retain talent.

The Company continually monitors market activity and employee movement within and outside of the core life sciences industry to maintain competitiveness, given the dynamic business and economic environment and labor market challenges it faces. In 2022, the Company invested more than $39 million in pay adjustments in addition to annual pay increases, to increase pay competitiveness in the markets in which we compete for talent.

Employee Wellness

The Company also continued investing in the health and wellness of its global workforce, with particular emphasis on improving its U.S. health benefits program for employees. The Company’s efforts on this front included:

- no annual cost increase for the payroll contributions in its U.S. Healthy medical, dental and vision insurance plans, impacting approximately 35,000 covered employees and more than 30,000 dependents. For approximately 19,000 employees in the U.S. earning less than $50,000 per year, the Company further reduced the cost of monthly medical insurance contributions by $240 per year;
- providing up to $4,560 in annual medical plan contribution discounts for over 35,000 employees and their spouses and domestic partners for committing to and maintaining a healthy and tobacco-free lifestyle;
- encouraging health and wellness education and activities by providing up to $1,000 in Health Reimbursement Account contributions to approximately 35,000 employees and their spouses or partners; and
- reimbursing up to $300 in fitness-related costs for approximately 13,000 employees.

The Company routinely continually educates its workforce on health issues of importance and has prioritized continuous education on the importance of mental well-being by providing communications and resources to all employees. The Company

believes that its investments in compensation and wellness are crucial to maintaining competitive positioning and a productive and engaged workforce.

Development and Training

To meet the needs of patients and clients in the evolving and competitive diagnostics and drug development markets, the Company is committed to creating a work environment that supports a focus on the continuous development and training of its employees. With this focus, the Company believes it is well-positioned in the long term to meet the demands of the regulatory environment and accelerate its ability to innovate and develop talent in a highly skilled and competitive talent market.

Labcorp's curriculum has three primary focus areas: regulatory training; technical training; and professional development. Regulatory training is required by laws and regulations for the Company to operate in certain areas within the life sciences industry and in certain jurisdictions. Technical training and professional development enable the Company to compete more effectively in the life sciences industry.

The Company maintains an extensive library of over 48,000 courses that are available virtually within its global learning management system. In 2022, Labcorp employees completed over 2.7 million hours of training, primarily consisting of regulatory and technical training. In addition, due to the Company's access to sensitive and personally identifiable information, employees completed over 720,000 IT security training courses, representing more than 150,000 total hours, with the goal of maintaining IT system safety and security for clients and patients.

Labcorp also invests in the professional development of its talent, and in retaining its best employees for future internal opportunities. In 2022, employees completed more than 50,000 hours of professional development. In addition, 343 employees completed the Labcorp UK Apprenticeship program that the Company plans to expand in 2023 to include US employees.

Challenges in the talent labor market have reinforced the need to offer new and engaging learning resources. In 2021, the Company expanded its approach to tuition assistance. Through 2022, the Labcorp Education Advantage program has fully sponsored 742 employees in their pursuit of higher education in the sciences, with 13 employees completing their bachelor's degree with this benefit. Employees enrolled in the Labcorp Education Advantage program have an 11 point lower attrition rate than the global population, evidencing a strong social and human capital impact. In addition, Labcorp added new relationships with leading academic institutions and learning partners that provide open, online courses. These partners provide video courses, job aides, and short, self-paced learning taught by industry experts.

Health and Safety

The nature of the Company's business requires employees to work directly with patients and animals. This includes the handling, processing, and testing of human or animal specimens on a daily basis. As the health and safety of employees is a primary concern, the Company has established numerous employee health and safety protocols, including engineering and administrative controls, policies, procedures, processes, and training to minimize the potential for, and the severity of, work-related injuries and illnesses.

In 2022, the Company was able to reduce its work-related injury rate per 100 employees to 1.5%, a reduction of 6.3% over 2021. The Company maintained its work-related lost work injury rate per 100 employees at 0.3%. The Company completed a Corporate EHS Audit on 15 significant laboratory facilities, allowing it to assess locations against common expectations and performance criteria. In response to COVID-19, the Company modified the audit format so that it could be effectively performed virtually, with the added benefit of reducing audit travel-related greenhouse gas emissions.

In 2022, the Company faced extraordinary challenges in assisting the nearly 400 employees, and in many cases their families, who were adversely affected by the Ukraine/Russia crisis. In response, the Company supported employees with emergency, short- and long-term housing, transportation and relocation assistance, and provided help with communications, food, and other necessary supplies and services.

Community Engagement

The Labcorp Charitable Foundation, a private, charitable 501(c)(3) organization established by the Company, invested in more than 120 programs in 2022 that align with the Company's strategic mission to improve health and improve lives in the areas of health, education, and community across the globe. The Foundation supports efforts to increase access to health services and create equitable opportunities for underserved populations across the globe.

Colleagues around the globe are invited to participate in the company's annual Employee Giving Campaign. Through the campaign, colleagues had the opportunity to donate to one or more of seven selected charities: the American Cancer Society, American Heart Association, American Diabetes Association, American Red Cross (Disaster Relief), United Way, the National Urban League and new for 2022, Project HOPE. Employee contributions support these charities to provide needed services in

their local communities and around the globe. The Labcorp Charitable Foundation offers a match opportunity for contributions made through the campaign.

In addition, the Company's employees took advantage of opportunities to support charitable causes and make a positive impact in their communities. For example, in honor of the life and legacy of Dr. Martin Luther King Jr., colleagues participated in the “Cards of Encouragement” campaign, a global initiative to lift the spirits of hospitalized children and their families. With the help of Cards for Hospitalized Kids, close to 8,000 cards were distributed to children and their families staying at Ronald McDonald Houses or receiving treatment at nonprofit children’s hospitals. The Labcorp Charitable Foundation made a financial donation to the 39 supported charities.

The Company's global colleagues also support the local communities where they live and work. In observation of Childhood Cancer Awareness Month, Company colleagues in Geneva, Switzerland supported ARFEC (Association Romande des Familles d’Enfants atteints d’un Cancer) to benefit hospitalized children and their families through toy drives, the creation and sale of a calendar and participation in the Geneva 20 kilometer race.

Dynacare, a Labcorp company based in Canada, teamed up with Diabetes Canada to organize the #Dyncare4Diabetes campaign for the second consecutive year. The campaign raises awareness of diabetes and provides accessible and free testing for at risk individuals. In addition to offering free hemoglobin A1C testing at all Dynacare laboratory locations across the Greater Toronto Area and at mobile community clinics, Dynacare donated 50 cents to Diabetes Canada for every individual that participated in the campaign, up to a total of $25,000.

Customers

The Company provides its services to a broad range of customers across Dx and DD. The primary customer groups serviced by the Company include:

- ***Health Plans.*** The Company serves many health plans, including MCOs and other health insurance providers, each of which operate on a national, regional, or local basis. In certain locations, health plans may delegate to independent physician associations (IPAs) or other alternative delivery systems (e.g., ACOs) the ability to negotiate for services on behalf of certain members.
- ***Pharmaceutical, Biotechnology, Medical Device, and Diagnostics Companies.*** The Company provides development services to hundreds of pharmaceutical, biotechnology, medical device, and diagnostics companies, ranging from the world's largest multi-nationals to emerging, small and mid-market companies.
- ***Physicians and Other Healthcare Providers.*** Physicians who require clinical laboratory testing for their patients are a primary source of requests for Dx's testing services.
- ***Hospitals and Health Systems.*** The Company provides hospitals and health systems with services ranging from core and specialty testing to supply chain and technical support services, and the opportunity to be a research partner for participation in studies and clinical trials with DD. In some cases, a hospital’s on-site laboratory may be operated or managed by an outside contractor or independent laboratory, including the Company.
- ***Other Customers.*** The Company serves a broad range of other customers, including, but not limited to, governmental agencies, employers, patients and consumers, CROs, crop protection and chemical companies, academic institutions, independent clinical laboratories, and retailers.

Sales, Marketing, and Customer Service

The Company offers its services through a sales force focused on serving the specific needs of customers in different market segments. The Company's sales force is responsible for both new sales and for customer retention and relationship building.

For Dx, these market segments generally include primary care, women's health, specialty medicine (e.g., infectious diseases, endocrinology, gastroenterology, and rheumatology), oncology, ACOs, and hospitals and health systems, with different representatives focused on each segment to better understand and respond to the unique needs of each clinical area. The DD global sales organization provides customer coverage across the pharmaceutical, biotechnology, and medical device industries for services including lead optimization, preclinical safety assessment, analytical services, clinical trials, central laboratories, biomarkers, and companion diagnostics, market access and technology solutions. As part of the Company's ongoing strategic priority to maximize the value of its unique leadership in both diagnostics and drug development, sales representatives from each business segment work together on outreach to potential customers of each business, including hospitals and health systems that may purchase testing and participate in clinical trials, or pharmaceutical, biotechnology or medical device companies whose studies may benefit from use of Dx’s specialty testing or network of PSCs.

Market Opportunity

Dx

The Company believes that in 2022, the U.S. clinical laboratory testing industry generated revenues of more than $80 billion. The clinical laboratory industry consists primarily of three types of providers: hospital-based laboratories, physician-office laboratories, and independent clinical and anatomical pathology laboratories, such as those operated by Dx.

The clinical laboratory business is intensely competitive, and the Company believes that both competition and consolidation in the clinical laboratory business will continue. CMS has estimated that, as of February 2023, there were 9,165 hospital-based laboratories, 123,511 physician-office laboratories, and 9,411 independent clinical and anatomic pathology laboratories in the U.S. Dx competes with all of those laboratories. In addition, an increasing number of health system laboratories have been expanding their operations and business, resulting in greater competition for testing from physicians within those systems and from unaffiliated physicians in the health system laboratories' service areas.

Dx believes that the selection of a laboratory is primarily based on the following factors, all of which the Company believes it competes favorably in:

- quality, timeliness, and consistency in reporting test results;
- reputation of the laboratory in the medical community or field of specialty;
- contractual relationships with MCOs;
- service capability and convenience;
- number and type of tests performed;
- connectivity solutions offered; and
- pricing of the laboratory's services.

In addition to the factors listed above, the Company believes that the operational and economic efficiencies provided by its integrated service and logistics network, large-scale automated testing, and regular introduction of new technologies will allow the Company to compete effectively with other providers of laboratory services.

DD

Drug development services companies like DD are also referred to as CROs and typically derive substantially all of their revenue from research and development (R&D), as well as marketing expenditures, of the pharmaceutical, biotechnology and medical device industries.

Outsourcing of R&D services to CROs has increased in the past, and is expected to continue increasing in the future. Increasing pressures to improve return on investment, to increase R&D productivity, to stay abreast of scientific advances and to comply with stringent government regulations and attempts to reduce and control the price of prescription drugs have all contributed to this outsourcing to CROs. A CRO provides clients with flexibility in aligning resources to demand. In the face of mounting complexity, the investment and amount of time required to develop new products are significant and have been increasing. These trends create opportunities for DD and other CROs that can help make the development process more efficient.

The drug development industry has many participants ranging from hundreds of small providers to a limited number of large CROs with global capabilities. DD competes against these small and large CROs, as well as in-house departments of pharmaceutical, biotechnology, medical device and diagnostic companies, and to a lesser extent, selected academic research centers, universities and teaching hospitals.

DD believes that customers selecting a CRO often consider the following factors, all of which the Company believes it competes favorably in:

- reputation for quality and regulatory compliance;
- efficient, timely performance;
- expertise and experience in operations;
- application of technology and innovation;
- specific therapeutic and scientific expertise;
- data and analytical capabilities;
- post-approval and market access services;
- ability to recruit patients;
- scope of service offerings;
- strengths in various geographic markets;
- price;

- quality of facilities;
- quality of relationships, including investigator and patient;
- ability to manage large-scale clinical trials both domestically and internationally, including the recruitment of appropriate and sufficient clinical trial subjects;
- size and scale;
- decentralized clinical trial capabilities;
- ability to develop companion diagnostics; and
- access to talent.

Quality

Dx and DD have comprehensive quality systems and processes appropriate for their respective businesses. The Company's quality programs are overseen by Dx's National Office of Quality, DD's Global Regulatory Compliance and Quality Assurance Unit, DD's clinical trial services global vendor management department, DD's central laboratory services expanded laboratory management services department, and the Company's global supply chain management department and project management staff. The Company has procedures for monitoring its internal performance, as well as that of its vendors, suppliers, and other key stakeholders. In addition, various groups and departments within the Company provide oversight to monitor and control vendor products and performance, and play an essential role in the Company's approach to quality through improvements in processes and automation.

Virtually all facets of the Company's services are subject to quality programs and procedures, including accuracy and reproducibility of tests, turnaround time, customer service, data integrity, patient satisfaction, and billing. The Company's quality programs include measures that compare current performance against desired performance goals to monitor critical aspects of service to its customers and patients. This includes licensing, credentialing, training and competency of professional and technical staff, and internal auditing. In addition to the Company's own quality programs, the Company's laboratories, facilities and processes are subject to on-site regulatory agency inspections and accreditation evaluations, in addition to surveys and proficiency testing, by local or national government agencies; independent external accrediting programs; and inspections and audits by customers.

Thirty-three of the Company's laboratories have received ISO 15189 and/or ISO 13485 accreditation, demonstrating that they meet international standards for quality and technical competence.

Information Systems

The Company is committed to developing and commercializing technology-enabled solutions to support its operations and provide better care. The Company operates standard platforms for its core business services and its financial and reporting systems. These standard systems provide consistency within workflows and information as well as a high level of system availability, security, and stability. The primary laboratory systems include standardized support for molecular diagnostics, digital pathology and enhanced specialty laboratory solutions. The Company's centralized information systems are responsible for operational efficiencies, enabling the Company to achieve consistent, structured, and standardized operating results and effective patient care.

The information systems used by Dx and DD are discussed in more detail in the sections dedicated to each of those segments.

Intellectual Property Rights

The Company relies on a combination of patents, trademarks, copyrights, trade secrets, and nondisclosure and non-competition agreements to establish and protect its proprietary technology. The Company has filed and obtained numerous patents in the U.S. and abroad, and regularly files patent applications, when appropriate, to establish and protect its proprietary technology. Occasionally, the Company also licenses U.S. and non-U.S. patents, patent applications, technology, trade secrets, know-how, copyrights or trademarks owned by others. The Company believes, however, that no single patent, technology, trademark, intellectual property asset or license is material to its business as a whole.

Patents covering the Company's technologies are subject to challenges. Issued patents may be successfully challenged, invalidated, circumvented, or declared unenforceable so that patent rights would not create an effective competitive barrier. In addition, the laws of some countries may not protect proprietary rights to the same extent as do the laws of the U.S.

Parties may file claims asserting that the Company's technologies infringe on their intellectual property. The Company cannot predict whether parties will assert such claims against it, or whether those claims will harm its business. If the Company is forced to defend against such claims, the Company could face costly litigation and diversion of management's attention and resources. As result of such disputes, the Company may have to develop costly non-infringing technology or enter into licensing agreements. These agreements, if necessary, may require financial or other terms that could have an adverse effect on

the Company's business and financial condition.

Regulation and Reimbursement

General

Because the Company operates in a number of distinct environments and in a variety of locations worldwide, it is subject to numerous, and sometimes overlapping, regulatory requirements. Both the clinical laboratory industry and the drug development business are subject to significant governmental regulation at the national, state and local levels. As described below, these regulations concern licensure and operation of clinical laboratories, claim submission and reimbursement for laboratory services, healthcare fraud and abuse, drug development services, security and confidentiality of health information, quality, and environmental and occupational safety.

Regulation of Clinical Laboratories

Virtually all clinical laboratories operating in the U.S. must be certified by the federal government or by a federally approved accreditation agency. In most cases, that certification is regulated by CMS through CLIA, which requires that applicable clinical laboratories meet quality assurance, quality control, and personnel standards. Laboratories also must undergo proficiency testing and are subject to inspections. Clinical laboratories in locations other than the U.S. are generally subject to comparable regulation in their respective jurisdictions.

Standards for testing under CLIA are based on the complexity of the tests performed by the laboratory, with tests classified as “high complexity,” “moderate complexity,” or “waived.” Laboratories performing high-complexity testing are required to meet more stringent requirements than moderate-complexity laboratories. Laboratories performing only waived tests, which are tests determined by the FDA to have a low potential for error and requiring little oversight, may apply for a certificate of waiver exempting them from most CLIA requirements. All major and many smaller Company facilities hold CLIA certificates to perform high-complexity testing. The Company's remaining smaller testing sites hold CLIA certificates to perform moderate-complexity testing or a certificate of waiver. The sanctions for failure to comply with CLIA requirements include suspension, revocation, or limitation of a laboratory's CLIA certificate, which is necessary to conduct business; cancellation or suspension of the laboratory's approval to receive Medicare and/or Medicaid reimbursement; as well as significant fines and/or criminal penalties. The loss or suspension of a CLIA certification, imposition of a fine or other penalties, or future changes in the CLIA law or regulations (or interpretation of the law or regulations) could have a material adverse effect on the Company.

The Company is also subject to state and local laboratory regulation. CLIA provides that a state may adopt laboratory regulations different from or more stringent than those under federal law, and a number of states have implemented their own laboratory regulatory requirements. State laws may require that laboratory personnel meet certain qualifications, specify certain quality controls, or require maintenance of certain records.

The Company believes that it is in compliance in all material respects with all laboratory requirements applicable to its laboratories operating both within the U.S. and in other countries. The Company's laboratories have continuing programs to maintain operations in compliance with all such regulatory requirements, but no assurances can be given that the Company's laboratories will pass all future licensure or certification inspections.

FDA and Other Regulatory Agency Laws and Regulations

Various regulatory agencies, including CMS and the FDA in the U.S., regulate the development, testing, manufacturing, labeling, advertising, marketing, distribution, storage, import, export, performance, and surveillance of diagnostic and therapeutic products and services, including certain products and services offered by the Company and the development of therapeutic products that comprise the majority of DD’s business. The FDA and other regulatory agencies periodically inspect and review the manufacturing processes and product performance of diagnostic and therapeutic products, while CMS, certain state programs, and accreditation entities inspect and review the facilities, personnel, and procedures of clinical laboratories and their laboratory operations. The FDA and other regulatory agencies also periodically inspect clinical study sites and CROs that conduct clinical trials, including test facilities that perform tests on samples from human subjects enrolled in such clinical studies of drugs, biologics, and medical devices. These agencies have the authority to take various administrative and legal actions for noncompliance, such as fines, withdrawal of product approval, warning or untitled letters, seizures, recalls, injunctions, and other civil and criminal sanctions.

Since 2014, there have been ongoing discussions and advocacy between stakeholders, including the clinical laboratory industry, the FDA, and Congress, about potential FDA regulation of laboratory-developed tests (LDTs), which are assays developed and performed in-house by clinical laboratories and can be made available to the public without pre-market review by the FDA (although COVID-19 diagnostic PCR LDTs have been subject to FDA pre-market requirements as a consequence of the national health emergency). Various regulatory and legislative proposals are under consideration, including some that

could increase general FDA oversight of clinical laboratories and LDTs. The outcome and ultimate impact of such proposals on the Company is difficult to predict at this time.

There are similar national and regional regulatory agencies, and regulations, in the jurisdictions outside of the U.S. in which the Company operates. For example, the European Union In Vitro Diagnostics Regulation (Regulation (EU) 2017/746 (EU IVDR)), which became applicable May 26, 2022, established a new legislative framework for in vitro diagnostic devices including a rule-based classification and quality and safety standards. In addition, both Switzerland and the United Kingdom are implementing new legislative frameworks similar to the EU IVDR.

DD's laboratory facilities and Dx's clinical laboratory facilities that perform testing in support of clinical trials, must conform to a range of standards and regulations, including good laboratory practice (GLP) and good clinical practice (GCP), good manufacturing practice (cGMP), human subject protection and investigational product exemption regulations, and quality system regulation (QSR) requirements, as applicable. The preclinical and clinical studies that the Company conducts are subject to periodic inspections by the FDA as well as other regulatory agencies in the jurisdictions outside the U.S. in which the Company operates, which may include, without limitation, the Medicines and Healthcare products Regulatory Agency (MHRA) in the U.K., the European Medicines Agency, the National Medical Products Administration in China, and the Pharmaceuticals and Medical Devices Agency in Japan, to determine compliance with GLP and GCP as well as other applicable standards and regulations. If a regulatory agency determines during an inspection that the Company's equipment, facilities, laboratories, operations, or processes do not comply with applicable regulations and GLP and/or GCP standards, the regulatory agency may issue a formal notice (FDA Form 483), which may be followed by a warning letter if observations are not addressed satisfactorily. Noncompliance may result in, among other things, unanticipated compliance expenditures, or the regulatory agency seeking civil, criminal or administrative sanctions and/or remedies against the Company, including suspension of its operations.

The FDA Modernization Act 2.0 was enacted in December 2022 as Section 3209 of the Consolidated Appropriations Act, 2023. This Act amended Section 505 of the Federal Food, Drug and Cosmetic Act (21 U.S.C. 355) to clarify the methods manufacturers and sponsors can use to investigate the safety and efficacy of a drug or the toxicity of a bioisimilar biologic product to include tests on animals as well as certain tests that are not performed on animals. Specifically, the Act replaces a statutory reference to "tests on animals" as a viable option for pre-clinical testing with a reference to "nonclinical tests", which includes animal testing, cell-based assays, microphysiological systems, or bioprinted or computer models. The Act does not eliminate animal testing or require the use of non-animal models. FDA previously had the authority to allow non-animal data to be considered during safety and efficacy reviews of new drugs and had previously issued related guidance. However, many procedures intended to reduce animal tests are still in various stages of development. Since such alternative methodologies must first be validated before FDA will approve of their use instead of validated animal models, the practical impact of the Act is likely to be limited for some time.

Additionally, certain DD services and activities, such as chemistry, manufacturing, and controls (CMC) services and manufacturing of investigational medicinal products for use in certain Phase I studies managed by DD, must conform to cGMP. DD is subject to periodic inspections by the FDA and the MHRA, as well as other regulatory agencies in the jurisdictions outside the U.S. in which the Company operates, in order to assess, among other things, cGMP compliance. If a regulatory agency identifies deficiencies during an inspection, it may issue a formal notice, which may be followed by a warning letter if observations are not addressed satisfactorily. Failure to maintain compliance with cGMP regulations and other applicable requirements of various regulatory agencies could result in, among other things, fines, warnings or untitled letters, unanticipated compliance expenditures, suspension of manufacturing, enforcement actions, product seizures or recalls, injunctions, or criminal prosecution.

Some Dx products are regulated by the FDA and other similar national regulatory agencies as medical devices. The FDA defines a medical device in part as an instrument, apparatus, implement, machine, contrivance, implant, in vitro reagent, or other similar or related article which is intended for the diagnosis of disease or other conditions or in the cure, mitigation, treatment, or prevention of disease in man. FDA regulates the development, testing, manufacturing, marketing, post-market surveillance, distribution, advertising and labeling of products classified as medical devices separate from clinical diagnostic testing services offered under CLIA requirements. FDA regulatory requirements include: all of the relevant elements of the Quality System Regulation (which requires manufacturers to follow stringent design, testing, control, documentation and other quality assurance procedures), labeling regulations, restrictions on promotion and advertising, Medical Device Reporting regulations (which requires the manufacturer to report to the FDA if its device may have caused or contributed to a death or serious injury or malfunctioned in a way that would likely cause or contribute to a death or serious injury if it were to recur), the Reports of Corrections and Removals regulations (which requires manufacturers to report certain recalls and field actions to the FDA), and other post-market requirements.

To ensure compliance with regulatory requirements, medical device manufacturers are subject to market surveillance and periodic, pre-scheduled and unannounced inspections by the FDA. Failure to comply with applicable regulatory requirements

can result in enforcement action by the FDA, which may include sanctions, operating restrictions, partial suspension or total shutdown of production; refusal to grant clearance or approvals of new devices; withdrawal of clearance or approval; and civil or criminal prosecution.

Animal Welfare Laws and Regulations

The conduct of animal research at DD's facilities in the U.S. must be in compliance with the Animal Welfare Act (AWA), which governs the care and use of warm-blooded animals for research in the U.S. other than laboratory rats, mice, and chickens, and is enforced through periodic inspections by the U.S. Department of Agriculture (USDA). The AWA establishes facility standards regarding several aspects of animal welfare, including housing, ventilation, lighting, feeding and watering, handling, veterinary care, and recordkeeping. DD complies with licensing and registration requirement standards set by the USDA and similar agencies in foreign jurisdictions such as the European Union, the U.K., and China for the care and use of regulated species. If the USDA determines that DD's equipment, facilities, laboratories or processes do not comply with applicable AWA standards, it may issue an inspection report documenting the deficiencies and setting deadlines for any required corrective actions. The USDA may impose fines, suspend and/or revoke licenses and registrations, or confiscate research animals. Other countries where the Company conducts business have similar laws and regulations with which the Company must also comply. In addition, certain of DD's animal-related activities may be subject to regulation by the U.S. Centers for Disease Control and Prevention (CDC), the Office of Laboratory Animal Welfare of the National Institutes of Health, the U.S. Fish and Wildlife Service, and similar organizations in other jurisdictions.

Payment for Clinical Laboratory Services

In 2022, Dx derived approximately 10.8% of its revenue directly from traditional Medicare and Medicaid programs. In addition, Dx's other commercial laboratory testing business that is not directly related to Medicare or Medicaid nevertheless depends significantly on continued participation in these programs and in other government healthcare programs, in part because customers often want a single laboratory to perform all of their testing services. In recent years, both governmental and private-sector payers have made efforts to contain or reduce healthcare costs, including reducing reimbursement for clinical laboratory services.

Reimbursement under the Medicare PFS is capped at different rates in each Medicare Administrative Contractor's jurisdiction. Pursuant to PAMA, unless modified by Congress, reimbursement under the CLFS is set at a national rate that is updated every three years for most tests. State Medicaid programs are prohibited from paying more than the Medicare fee schedule limit for clinical laboratory services furnished to Medicaid recipients. Laboratories primarily bill and are reimbursed by Medicare and Medicaid directly for covered tests performed on behalf of Medicare and Medicaid beneficiaries. For beneficiaries that participate in Managed Medicare and Managed Medicaid plans, laboratory bills are submitted to and paid by MCOs that manage those plans. Approximately 8.9% of Dx's revenue is reimbursed directly by Medicare under the CLFS.

Many pathology services performed by Dx are reimbursed by Medicare under the PFS. The PFS assigns relative value units to each procedure or service, and a conversion factor is applied to calculate the reimbursement. The PFS is also subject to adjustment on an annual basis. Such adjustments can impact both the conversion factor and relative value units. The Sustainable Growth Rate (SGR), the formula previously used to calculate the fee schedule conversion factor, would have resulted in significant decreases in payment for most physician services for each year since 2003. However, Congress intervened repeatedly to prevent these payment reductions, and the conversion factor was increased or frozen for the subsequent year. The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) permanently replaced the SGR formula and transitioned PFS reimbursement to a value-based payment system. MACRA retroactively avoided a 21.2% reduction in PFS reimbursement that had been scheduled for April 1, 2015, and provided for PFS conversion factor increases of 0.5% from July 1, 2015 to December 31, 2015, and 0.5% in each of years 2016-2019, followed by no updates for 2020 through 2025, and updates that vary based on participation in alternative payment models in subsequent years. These changes to the conversion factor may be offset by reductions to the relative value units, as was the case with the 2016 PFS reductions. For 2022, Congress increased the conversion factor by 3.0% over the amount announced in the final rule, instead of allowing a 3.75% reduction to take effect. In the Consolidated Appropriations Act of 2023, Congress mitigated PFS cuts in 2023 and 2024 by 2.5% and 1.25%, respectively, that would otherwise have been (4.47%) in 2023 based on the conversation factor put forward in the 2023 Medicare Physician Fee Schedule final rule. Approximately 0.4% of Dx's revenue is reimbursed under the PFS.

In addition to changes in reimbursement rates, Dx is also impacted by changes in coverage policies for laboratory tests and annual CPT coding revisions. Medicare, Medicaid and private payer diagnosis code requirements and payment policies negatively impact Dx's ability to be paid for some of the tests it performs. Further, some payers require additional information to process claims, employ third-party utilization management tools, or have implemented prior authorization policies which delay or prohibit payment. In 2022, there were limited coding and billing changes. While limited changes are expected to be implemented in 2023, the Company typically expects some delays in pricing and reimbursement as new codes are introduced.

Future changes in national, state and local laws and regulations (or in the interpretation of current regulations) affecting government payment for clinical laboratory testing could have a material adverse effect on the Company.

Further healthcare reform could occur in 2023, including changes to the ACA and Medicare reform, as well as administrative requirements that may continue to affect coverage, reimbursement, and utilization of laboratory services in ways that are currently unpredictable.

Privacy, Security and Confidentiality of Health Information and Other Personal Information

In the U.S., the Health Insurance Portability and Accountability Act of 1996 (HIPAA) was designed to address issues related to the security and confidentiality of health information and to improve the efficiency and effectiveness of the healthcare system by facilitating the electronic exchange of information in certain financial and administrative transactions. These regulations apply to health plans and healthcare providers that conduct standard transactions electronically and healthcare clearinghouses (covered entities). Six such regulations include: (i) the Transactions and Code Sets Rule; (ii) the Privacy Rule; (iii) the Security Rule; (iv) the Standard Unique Employer Identifier Rule; (v) the National Provider Identifier Rule; and (vi) the Health Plan Identifier Rule. The Company, which may act as a HIPAA covered entity in certain circumstances, believes that it is in compliance in all material respects with each of the HIPAA Rules identified above.

The Privacy Rule regulates the use and disclosure of protected health information (PHI) by covered entities. It also sets forth certain rights that an individual has with respect to his or her PHI maintained by a covered entity, such as the right to access or amend certain records containing PHI or to request restrictions on the use or disclosure of PHI. The Privacy Rule requires covered entities to contractually bind third parties, known as business associates, in the event that they perform an activity or service for or on behalf of the covered entity that involves the creation, receipt, maintenance, or transmission of PHI.

On February 6, 2014, CMS and HHS published final regulations that amended the HIPAA Privacy Rule to provide individuals (or their personal representatives) with the right to receive copies of their test reports from laboratories subject to HIPAA, or to request that copies of their test reports be transmitted to designated third parties.

On December 12, 2018, HHS issued a request for information (RFI) seeking input from the public on how the HIPAA regulations and the Privacy Rule, in particular, could be modified to amend existing, or impose additional, obligations relating to the processing of PHI. Subsequent to the RFI, on January 21, 2021, HHS published a notice of proposed rulemaking (NPRM) containing potential modifications to the Privacy Rule addressing standards that may impede the transition to value-based healthcare and strengthen individuals' rights to access their health information. The public comment period for the NPRM was closed on May 6, 2021. The Company is monitoring the NPRM process. If modifications to the Privacy Rule are adopted, they may impact the Company's compliance obligations under HIPAA.

The U.S. Health Information Technology for Economic and Clinical Health Act (HITECH), which was enacted in February 2009, with regulations effective on September 23, 2013, strengthened and expanded the HIPAA Privacy and Security Rules and their restrictions on use and disclosure of PHI. HITECH includes, but is not limited to, prohibitions on exchanging PHI for remuneration and additional restrictions on the use of PHI for marketing. HITECH also fundamentally changes a business associate’s obligations by imposing a number of Privacy Rule requirements and a majority of Security Rule provisions directly on business associates that were previously only directly applicable to covered entities. Moreover, HITECH requires covered entities to provide notice to individuals, HHS, and, as applicable, the media when unsecured PHI is breached, as that term is defined by HITECH. Business associates are similarly required to notify covered entities of a breach.

The administrative simplification provisions of HIPAA mandate the adoption of standard unique identifiers for healthcare providers. The intent of these provisions is to improve the efficiency and effectiveness of the electronic transmission of health information. The National Provider Identifier Rule requires that all HIPAA-covered healthcare providers, whether they are individuals or organizations, must obtain an NPI to identify themselves in standard HIPAA transactions. NPI replaces the unique provider identification number and other provider numbers previously assigned by payers and other entities for the purpose of identifying healthcare providers in standard electronic transactions.

Violations of the HIPAA provisions could result in civil and/or criminal penalties, including significant fines and up to 10 years in prison. HITECH also significantly strengthened HIPAA enforcement by increasing the civil penalty amounts that may be imposed, requiring HHS to conduct periodic audits to confirm compliance and authorizing state attorneys general to bring civil actions seeking either injunctions or damages in response to violations of the HIPAA privacy and security regulations that affect the privacy of state residents.

The total cost associated with meeting the ongoing requirements of HIPAA and HITECH is not expected to be material to the Company’s operations or cash flows. However, future regulations and interpretations of HIPAA and HITECH could impose significant costs on the Company.

The information blocking provisions (Information Blocking Rules) of the 21st Century Cures Act became effective on April

5, 2021. The Information Blocking Rules prohibit covered actors, including healthcare providers, from engaging in activity that is likely to interfere with the access, exchanges, or use of electronic health information (EHI) unless such activity falls into one of eight exceptions. The Information Blocking Rules provide for civil monetary penalties for noncompliance by healthcare IT vendors and, separately, “appropriate disincentives” for noncompliance by healthcare providers. The Company believes that it is in compliance in all material respects with the requirements of the Information Blocking Rules.

In addition to the regulations described above, numerous other data protection, privacy and similar laws govern the confidentiality, security, use, and disclosure of personal information, as well as breach notification responsibilities. These laws vary by jurisdiction, but they most commonly regulate or restrict the collection, use, and disclosure of medical and financial information and other personal information. In the U.S., the Federal Trade Commission (FTC) has authority to regulate unfair or deceptive acts or practices, including with respect to data privacy and security. If the Company’s public statements about collection, use or disclosure of personal information are perceived to be inconsistent with the Company’s actual practices, the Company may face accusations of unfairness or deception under the FTC Act or state law equivalents. In addition, some state laws are more restrictive and, therefore, are not preempted by HIPAA. Penalties for violation of these laws may include sanctions against a laboratory's licensure, as well as civil and/or criminal penalties.

Congress and state legislatures also have been implementing new legislation relating to privacy and data protection. For example, on June 28, 2018, the California legislature passed the California Consumer Privacy Act (CCPA), which became effective January 1, 2020. The CCPA created transparency requirements and granted California residents several new rights with regard to their personal information. In addition, in November 2020, California voters approved the California Privacy Rights Act (CPRA) ballot initiative, which introduced significant amendments to the CCPA and established and funded a dedicated California privacy regulator, the California Privacy Protection Agency (CPPA). The amendments introduced by the CPRA went into effect on January 1, 2023, and new implementing regulations are expected to be introduced by the CPPA. Failure to comply with the CCPA may result in, among other things, significant civil penalties and injunctive relief, or potential statutory or actual damages. In addition, California residents have the right to bring a private right of action in connection with certain types of incidents. These claims may result in significant liability and potential damages. Other states have passed legislation similar to the CCPA, including the Virginia Consumer Data Protection Act (VCDPA), which became effective January 1, 2023, the Colorado Privacy Act (CPA) and the Connecticut Data Privacy Act (CTDPA), both effective July 1, 2023, and the Utah Consumer Privacy Act (UCPA), effective December 31, 2023. The VCDPA, CPA, CTDPA, and UCPA heavily mirror the principles and requirements of the CCPA; however, these laws do not provide for a private right of action. The Company continues to assess the impact of these laws on the Company’s business, and the Company is implementing and will prepare to implement appropriate processes to manage compliance with these laws as they become effective and more guidance is provided.

Effective August 14, 2020, the Substance Abuse and Mental Health Services Administration of HHS (SAMHSA) announced the finalization of proposed changes to the Confidentiality of Substance Use Disorder Patient Records regulation, 42 Code of Federal Regulations Part 2. This regulation protects the confidentiality of patient records relating to the identity, diagnosis, prognosis, or treatment that are maintained in connection with the performance of any federally assisted program or activity relating to substance use disorder education, prevention, training, treatment, rehabilitation, or research. Under the regulation, patient identifying information may only be released with the individual’s written consent, subject to certain limited exceptions. The latest changes to this regulation seek to better facilitate care coordination, while maintaining more stringent confidentiality of substance use disorder information. The Company adopted changes to its policies and procedures necessary for compliance.

The European Union General Data Protection Regulation (GDPR) Regulation (EU) 2016/679, became effective May 25, 2018, replacing Directive 95/46/EC. The GDPR established requirements applicable to the use and transfer of personal data and imposes penalties for noncompliance of up to the greater of €20 million or 4% of worldwide revenue. The GDPR, as well as the U.K.'s implementation - the U.K. General Data Protection Regulation - requires transparency with regard to the means and purposes of processing of personal data; collection of consent to process personal data in certain circumstances; the ability to provide records of processing upon request by a supervisory authority or data controller; implementation of appropriate technical and organizational measures to maintain security of personal data; notification of personal data breaches to supervisory authorities, data controllers, and individuals within expedient time frames; and performance of data protection impact assessments for certain processing activities. The GDPR also provides individual data subjects with certain rights, where applicable, including the right of access, the right to rectification, the right to be forgotten, the right to restrict or object to processing, and the right to data portability. The GDPR requires that personal data may only be transferred outside of the European Union to a country that offers an adequate level of data protection under standards set by the European Union, or where such transfer is otherwise pursuant to a legal framework approved by the European Union. On July 16, 2020, the Court of Justice of the European Union (CJEU) released its decision in *Data Protection Commission v. Facebook Ireland Limited, Maximillian Schrems (Schrems II)*, which invalidated the EU-U.S. Privacy Shield as a legal framework for the transfer of personal data outside of the European Union, and suggesting additional safeguards for the use of Standard Contractual Clauses

(SCCs) as a legal framework for the transfer of personal data outside of the European Union. On June 4, 2021, the European Commission release updated SCCs, which, in part, adopted many of the additional safeguards highlighted in the *Schrems II* decision. Companies using SCCs for the transfer of personal data outside of the European Union are required to use the new SCCs for new transfers of personal data as of September 27, 2021, and for all transfers of personal data as of December 27, 2022. The Company has established processes and frameworks to manage compliance with the GDPR and other global privacy and data protection requirements, and to manage preparation for future enacted regulations. Compliance could impose significant costs on the Company.

In addition to the GDPR, numerous other countries have laws governing the collection, use, disclosure, and transmission (including cross-border transfer) of personal information, including medical information. The legislative and regulatory landscape for privacy and data protection is complex and continually evolving. Data protection regulations have been enacted or updated in regions where the Company does business including in Asia, Latin America, and Europe, and in countries such as Canada, India, and the UK. Failure to comply with these regulations may result in, among other things, civil, criminal and contractual liability, fines, regulatory sanctions and damage to the Company's reputation.

Fraud and Abuse Laws and Regulations

Existing U.S. laws governing federal healthcare programs, including Medicare and Medicaid, as well as similar state laws, impose a variety of broadly described fraud and abuse prohibitions on healthcare providers, including clinical laboratories. These laws are interpreted liberally and enforced aggressively by multiple government agencies, including the U.S. Department of Justice, OIG and various state agencies. Historically, the clinical laboratory industry has been the focus of major governmental enforcement initiatives. The U.S. government's enforcement efforts have been conducted under statutory authorities such as those contained in HIPAA, which includes several provisions related to fraud and abuse enforcement, including the establishment of a program to coordinate and fund U.S., state and local law enforcement efforts, and in the Deficit Reduction Act of 2005, which included requirements directed at Medicaid fraud, including increased spending on enforcement and financial incentives for states to adopt false claims act provisions similar to the U.S. False Claims Act. Amendments to the False Claims Act, and other enhancements to the U.S. fraud and abuse laws enacted as part of the ACA, have further increased fraud and abuse enforcement efforts and compliance risks. For example, the ACA established an obligation to report and refund overpayments from Medicare or Medicaid within 60 days of identification (whether or not paid through any fault of the recipient); failure to comply with this requirement can give rise to additional liability under the False Claims Act and Civil Monetary Penalties statute.

The U.S. Anti-Kickback Statute prohibits knowingly providing anything of value in return for, or to induce the referral of, Medicare, Medicaid or other U.S. federal healthcare program business. Violations can result in imprisonment, fines, penalties, and/or exclusion from participation in U.S. federal healthcare programs. The OIG has published "safe harbor" regulations that specify certain arrangements that are protected from prosecution under the Anti-Kickback Statute if all conditions of the relevant safe harbor are met. Failure to fit within a safe harbor does not necessarily constitute a violation of the Anti-Kickback Statute; rather, the arrangement would be subject to scrutiny by regulators and prosecutors and would be evaluated on a case-by-case basis. Many states have their own Medicaid anti-kickback laws, and several states also have anti-kickback laws that apply to all payers (i.e., not just government healthcare programs).

From time to time, the OIG issues alerts and other guidance on certain practices in the healthcare industry that implicate the Anti-Kickback Statute or other fraud and abuse laws. OIG Special Fraud Alerts and Advisory Opinions relevant to the Company set forth a number of practices allegedly engaged in by some clinical laboratories and healthcare providers that raise issues under the U.S. fraud and abuse laws, including the Anti-Kickback Statute. These practices include: (i) providing employees to furnish valuable services for physicians (other than collecting patient specimens for testing) that are typically the responsibility of the physicians' staff; (ii) offering or providing discounted laboratory services billed to referral sources in return for referrals of other tests that are billed to U.S. federal healthcare programs; (iii) providing free testing to physicians' managed care patients in situations where the referring physicians benefit from such reduced laboratory utilization; (iv) providing free pickup and disposal of biohazardous waste for physicians for items unrelated to a laboratory's testing services; (v) providing general-use facsimile machines or computers to physicians that are not exclusively used in connection with the laboratory services; (vi) providing free testing for healthcare providers, their families and their employees (i.e., so-called "professional courtesy" testing); (vii) rental of space in physician offices by equipment suppliers or other healthcare entities to which the physicians make referrals; (viii) compensation paid by laboratories to physicians and hospitals for blood specimen processing and for submitting patient data to registries; and (ix) remuneration provided to physicians and other health care professionals by pharmaceutical and medical device companies in connection with company-sponsored speaker programs.

In addition to the Anti-Kickback Statute, in October 2018, the U.S. enacted the Eliminating Kickbacks in Recovery Act of 2018 (EKRA), as part of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act). EKRA is an all-payer anti-kickback law that makes it a criminal offense to pay any remuneration to induce referrals to, or in exchange for, patients using the services of a recovery home, a substance use clinical

treatment facility, or laboratory. Although it appears that EKRA was intended to reach patient brokering and similar arrangements to induce patronage of substance use recovery and treatment, the language in EKRA is broadly written. As drafted, an EKRA prohibition on incentive compensation to sales employees is inconsistent with the federal anti-kickback statute and regulations, which permit payment of employee incentive compensation, a practice that is common in the industry. Significantly, EKRA permits the U.S. Department of Justice to issue regulations clarifying EKRA's exceptions or adding additional exceptions, but such regulations have not yet been issued, and there is no additional DOJ or other government guidance to indicate how and to what extent it will be applied and enforced in the industry. The Company is working through its trade association to address the scope of EKRA.

Under another U.S. statute, known as the Stark Law or "physician self-referral" prohibition, physicians who have a financial or a compensation relationship with a clinical laboratory may not, unless an exception applies, refer Medicare or Medicaid patients for testing to the laboratory, regardless of the intent of the parties. Similarly, laboratories may not bill Medicare or Medicaid for services furnished pursuant to a prohibited self-referral. There are several Stark Law exceptions that are relevant to arrangements involving clinical laboratories, including: (i) fair market value compensation for the provision of items or services; (ii) payments by physicians to a laboratory for clinical laboratory services; (iii) ancillary services (including laboratory services) provided within the referring physician's own office, if certain criteria are satisfied; (iv) physician investment in a company whose stock is traded on a public exchange and has stockholder equity exceeding $75.0 million; and (v) certain space and equipment rental arrangements that are set at a fair market value rate and satisfy other requirements. Many states have their own self-referral laws as well, which in some cases apply to all patient referrals, not just government reimbursement programs.

In December 2020, the OIG and CMS published final rules to amend certain regulations implementing the Anti-Kickback Statute and the Stark Law, respectively. The amendments were primarily intended to alleviate perceived impediments to coordinated care and value-based compensation arrangements through new safe harbors to the Anti-Kickback Statute and new exceptions to the Stark Law, and have varying degrees of applicability to laboratories. The CMS final rule incorporates laboratories and permits support for value-based arrangements, under certain conditions for purposes of the Stark Law. However, the OIG final rule generally excludes laboratories from protection under the Anti-Kickback Statute safe harbors for value-based arrangements.

There are a variety of other types of U.S. and state fraud and abuse laws, including laws prohibiting submission of false or fraudulent claims and that require certain companies to disclose payments and other transfers of value to certain healthcare professionals and providers. The Company seeks to conduct its business in compliance with all U.S. and state fraud and abuse laws. The Company is unable to predict how these laws will be applied in the future, and no assurances can be given that its arrangements will not be subject to scrutiny under such laws. Sanctions for violations of these laws may include exclusion from participation in Medicare, Medicaid, and other U.S. or state healthcare programs, significant criminal and civil fines and penalties, and loss of licensure. Any exclusion from participation in a U.S. healthcare program, or material loss of licensure, arising from any action by any federal or state regulatory or enforcement authority, would likely have a material adverse effect on the Company's business. In addition, any significant criminal or civil penalty resulting from such proceedings could have a material adverse effect on the Company's business.

Enrollment and re-enrollment in U.S. healthcare programs, including Medicare and Medicaid, are subject to certain program integrity requirements intended to protect the programs from fraud, waste, and abuse. In September 2019, CMS published a final rule implementing program integrity enhancements to provider enrollment requiring Medicare, Medicaid, and Children's Health Insurance Program (CHIP) providers and suppliers to disclose on an enrollment application or a revalidation application any current or previous direct or indirect affiliation with a provider or supplier that (i) has uncollected debt; (ii) has been or is subject to a payment suspension under a federal health care program; (iii) has been or is excluded by the OIG from Medicare, Medicaid, or CHIP, or (iv) has had its Medicare, Medicaid, or CHIP billing privileges denied or revoked. This rule permits CMS to deny enrollment based on such an affiliation when CMS determines that the affiliation poses an undue risk of fraud, waste, or abuse. CMS is phasing in this new affiliation disclosure requirement.

In November 2021, CMS published a final rule for the 2022 Medicare Physician Fee Schedule, which included further program integrity requirements. CMS finalized its proposal to expand the categories of parties within the purview of the denial and revocation provisions to include excluded administrative or management services personnel who furnish services payable by a federal healthcare program, such as a billing specialist, accountant, or human resources specialist. CMS also codified the billing privilege deactivation rebuttal process, under which a provider or supplier would have 15 calendar days from receipt of written notice of a deactivation to submit a rebuttal, and CMS could, in its discretion, extend the 15-day period to account for certain special situations. In addition, CMS defined factors it would use to determine whether revocation or suspension of billing privileges is appropriate due to a pattern or practice of non-compliant billing, which would be: (i) the percentage of submitted claims that were denied during the period under consideration; (ii) whether the provider or supplier has any history of final adverse actions and the nature of any such actions; (iii) the type of billing non-compliance and the specific facts surrounding said non-compliance (to the extent this can be determined); and (iv) any other information regarding the provider's

or supplier's specific circumstances that CMS deems relevant to the determination. This is a reduction in the number of factors that were previously considered and a revision of some previous factors.

Environment, Health, and Safety

The Company is subject to licensing and requirements under laws and regulations relating to the protection of the environment, and employee health and safety. These laws and regulations include the safe handling, use, transportation and disposal of potentially infectious and hazardous materials; the assessment of potential work-related risks and establishment of work practice and engineering controls, and providing protective clothing and equipment, training, and medical surveillance; designed to minimize risk to employee health and safety and the environment.

The Company is committed to reducing its carbon footprint. The Company participates in the Carbon Disclosure Project (CDP) and the EcoVadis sustainable procurement rating processes. In December 2022, the Company submitted science-based targets to the Science Based Target Institute. Energy-saving measures at Company facilities include for example, installation of more efficient boilers, chillers, ventilation systems and LED lighting, engaging in waste-to-energy disposition, and reducing waste going to landfills. Funding for these and similar projects continued through 2022 and is expected to continue through 2023.

The Company seeks to comply with all relevant environment, employee health and safety laws and regulations. Failure to comply could subject the Company to various administrative and/or other enforcement actions.

Drug Testing

Drug testing for public sector employees is regulated by the SAMHSA, which has established detailed performance and quality standards that laboratories must meet to be approved to perform drug testing on employees of U.S. government contractors and certain other entities. To the extent that the Company’s laboratories perform such testing, each must be certified as meeting SAMHSA standards. The Company’s laboratories in Research Triangle Park, North Carolina; Raritan, New Jersey; Houston, Texas; Southaven, Mississippi; and St. Paul, Minnesota are all SAMHSA certified.

Controlled Substances

DD handles controlled substances as part of the services it provides in preclinical testing and clinical trials. The use of controlled substances in testing for drugs of abuse is regulated by the U.S. Drug Enforcement Administration under the Controlled Substances Act (CSA) and its implementing regulations. The CSA establishes, among other things, certain registration, security, recordkeeping, reporting, import, export and other requirements for controlled substances. The Company seeks to conduct its business in compliance with these requirements as applicable. Violations of these rules may result in criminal and civil fines and penalties.

Compliance Program

The Company maintains a global compliance program that includes ongoing evaluation and monitoring of its compliance with the laws and regulations of the U.S. and the other countries in which it has operations. The objective of the Company’s compliance program is to develop, implement, monitor, and update compliance safeguards, as appropriate. Although the Company is subject to a broad range of regulations, its compliance program has a particular focus on regulations related to healthcare fraud and abuse, anti-kickback, physician self-referral, government reimbursement programs, anti-bribery/anti-corruption, anti-human trafficking, and trade sanctions, among others. Emphasis is placed on developing and implementing compliance policies and guidelines, personnel training programs, monitoring and auditing activities, and providing systems for reporting and investigation of potential or actual compliance concerns. The compliance program demonstrates the Company's commitment to conducting business at the highest standards of ethical conduct and integrity.

The Company seeks to conduct its business in compliance with all statutes, regulations, and other requirements applicable to its clinical laboratory operations and drug development business. The clinical laboratory industry and drug development industries are, however, subject to extensive regulation, and many of these statutes and regulations have not been interpreted by the courts. In addition, the applicability or interpretation of statutes and regulations may not be clear in light of emerging changes in clinical testing science, healthcare technology, and healthcare organizations. Applicable statutes and regulations may be interpreted or applied by a prosecutorial, regulatory or judicial authority in a manner that would materially adversely affect the Company. Potential sanctions for violation of these statutes and regulations include significant civil and criminal penalties, fines, exclusion from participation in governmental healthcare programs, and the loss of various licenses, certificates, and authorizations necessary to operate, as well as potential liabilities from third-party claims, all of which could have a material adverse effect on the Company’s business.

Information Security

Information security is one of the Company's top priorities. Securing personal and health information is critical to the Company's business operations and to future growth, as the Company is committed to using technology to improve the delivery of care. A security breach could have a material adverse operational, financial, regulatory, and reputational impact to the Company. The Company employs a secure technology framework that enables continuous operations of laboratory devices, computers, and communications systems. The Company has experienced and expects to continue to confront attempts by cybercriminals who seek access to its systems and data.

The Company uses state-of-the art tools and advanced analytics to proactively identify and protect against potential information system disruptions and breaches; to monitor, test and secure key networks and services, and to facilitate prompt resumption of operations if a system disruption or interruption should occur. The Company has implemented policies and procedures designed to comply with global laws and regulations related to the privacy and security of personal and health information. Additionally, the Company maintains a comprehensive behavior management and communications program, which addresses the human element of cybersecurity by providing staff with extensive awareness, education, and training to help prevent cybercrime from succeeding through human error.

The Company is exposed to risks related to information security arising from the information technology systems and operations of third parties, including the Company's vendors and partners. Therefore, the Company follows a process to evaluate the cybersecurity status of vendors or third parties that will have access to the Company's data or information technology systems. The Company also carries cybersecurity and business interruption insurance.

Over the past several years, the Company has significantly increased its investment in cybersecurity technology and training to help protect its information technology systems and operations in response to the ever-evolving cyber threat landscape. Additional resources will be dedicated as needed to expand the Company's ability to investigate and remediate any cybersecurity vulnerabilities, and to manage any impact of a cybersecurity event on its business and operations.

In July 2018, the Company experienced a ransomware incident which affected certain Dx information technology systems. The incident temporarily affected certain other information technology systems involved in conducting Company-wide operations. An investigation determined that the ransomware did not and could not transfer patient or client data outside of Company systems and that there was no theft or misuse of patient or client data.

On May 14, 2019, Retrieval-Masters Credit Bureau, Inc. d/b/a/ American Medical Collections Agency (AMCA), an external collection agency, notified the Company about a security incident AMCA experienced that may have involved certain personal information about some of the Company's patients (the AMCA Incident). The Company is involved in pending and threatened litigation related to the AMCA Incident, as well as various government and regulatory inquiries and processes. For additional information about the AMCA Incident, see Note 14 Commitments and Contingencies to the Consolidated Financial Statements and "Risk Factors - Risks Related to Technology and Cybersecurity".

Item 1A. Risk Factors

Investors should carefully consider all of the information set forth in this Annual Report, including the following risk factors, before deciding to invest in any of the Company's securities. The risks below are not the only ones that the Company faces. Additional risks not presently known to the Company, or that it presently deems immaterial, may also negatively impact the Company. The Company's business, consolidated financial condition, revenues, results of operations, profitability, reputation or cash flows could be materially impacted by any of these factors.

Risks Related to the Company's Business Including Global Economic and Sociopolitical Factors

General or macro-economic factors in the U.S. and globally may have a material adverse effect upon the Company, and significant fluctuations in the economy, recession, inflation and an increase in the costs of goods and services could negatively impact testing volumes, drug development services, cash collections, profitability and the availability and cost of credit.

The Company's operations are dependent upon ongoing demand for diagnostic testing and drug development services by patients, physicians, hospitals, MCOs, pharmaceutical, biotechnology and medical device companies and others. Fluctuations in the global economy, including inflation and the risk of short- or long-term recession, inflation and an increase in the costs of goods and services have impacted and in the future could have continued or greater negative impact on the demand for diagnostic testing and drug development services, the ability of customers to pay for services rendered, and the Company's profitability. In addition, uncertainty in the credit markets and fluctuations in interest rates could reduce the availability and increase the cost of credit and impact the Company's ability to meet its financing needs in the future.

Operations may be disrupted and adversely impacted by the effects of adverse weather, natural disasters, geopolitical events, public health crises, hostilities or acts of terrorism, acts of vandalism, disruption to supply chains, access to natural resources, and other events outside of the Company's control.

Natural disasters, such as adverse weather, fires, earthquakes, power shortages and outages, geopolitical events, such as terrorism, war, political instability, or other conflict, public health crises and disease epidemics and pandemics, criminal activities, disruptions to supply chains, access to natural resources, and other disruptions or events outside of the Company's control could negatively affect the Company's operations. Any of these events may result in a temporary decline of volumes in both segments. In addition, such events may temporarily interrupt the Company's ability to transport specimens, efficiently commence studies, utilize information technology systems, utilize certain laboratories, and/or ability to receive material from its suppliers. Such events can also affect customer operations and thereby impact testing volume. Long-term disruptions in the infrastructure and operations caused by such events (particularly involving locations in which the Company has operations), could harm the Company's operating results.

An inability to attract and retain experienced and qualified personnel, including key management personnel, and increased personnel costs, could adversely affect the Company's business.

The loss of key management personnel or the inability to attract and retain experienced and qualified employees, at the Company's clinical laboratories, drug development, and diagnostic facilities, and increased costs related to such personnel and employees, could adversely affect the business. The success of the Company is dependent in part on the efforts of key members of its management team. Success in maintaining the Company's leadership position in genomic and other advanced testing and diagnostic technologies will depend in part on the Company's ability to attract and retain skilled research professionals. In addition, the success of the Company's early discovery, clinical, and commercial laboratories also depend on employing and retaining qualified and experienced professionals, including specialists, who perform laboratory research activities and testing services. The same is true for patient-facing staff with specialized training required to perform activities related to specimen collection or clinical research activities. In the future, if competition for the services of these professionals increases, the Company may not be able to continue to attract and retain individuals in its markets. Changes in key management, or the ability to attract and retain qualified personnel, as a result of increased competition for talent, wage growth, or other market factors, could lead to strategic and operational challenges and uncertainties, distractions of management from other key initiatives, and inefficiencies and increased costs, any of which could adversely affect the Company's business, financial condition, results of operations, and cash flows.

Continued changes in healthcare reimbursement models and products (e.g., health insurance exchanges), changes in government payment and reimbursement systems, or changes in payer mix, including an increase in third-party benefits management and value-based payment models, could have a material adverse effect on the Company's revenues, profitability and cash flow.

Dx's testing services are billed to MCOs, Medicare, Medicaid, physicians and physician groups, hospitals, patients and employer groups. Most testing services are billed to a party other than the physician or other authorized person who ordered the test. Increases in the percentage of services billed to government and MCOs could have an adverse effect on the Company's revenues.

The Company serves many MCOs. These organizations have different contracting philosophies, which are influenced by the design of their products. Some MCOs contract with a limited number of clinical laboratories and engage in direct negotiation of rates. Other MCOs adopt broader networks with generally uniform fee structures for participating clinical laboratories. In some cases, those fee structures are specific to independent clinical laboratories, while the fees paid to hospital-based and physician-office laboratories may be different, and are typically higher. MCOs may also offer Managed Medicare or Managed Medicaid plans. In addition, an increasing number of MCOs are implementing, directly or through third parties, various types of laboratory benefit management programs that may include laboratory networks, utilization management tools (such as prior authorization and/or prior notification), and claims edits, which may impact coverage or reimbursement for commercial laboratory tests. Some of these programs address commercial laboratory testing broadly, while others are focused on certain types of testing such as molecular, genetic and toxicology testing. An increase in the use of such programs could lead to increased denial of claims, extended appeals, and reduced revenue.

Some MCOs use capitation rates to fix the cost of laboratory testing services for their enrollees. Under a capitated reimbursement arrangement, the clinical laboratory receives a per-member, per-month payment for an agreed upon menu of laboratory tests provided to MCO members during the month, regardless of the number of tests performed. Capitation shifts the risk of increased test utilization (and the underlying mix of testing services) to the commercial laboratory provider. The

Company makes significant efforts to obtain adequate compensation for its services in its capitated arrangements. For the year ended December 31, 2022, such capitated contracts accounted for approximately $332.3 million, or 3.2%, of Dx's revenues.

The Company's ability to attract and retain MCOs is critical given the impact of healthcare reform, related products and expanded coverage (e.g. health insurance exchanges and Medicaid expansion) and evolving value-based care and risk-based reimbursement delivery models (e.g., accountable care organizations (ACOs) and Independent Physician Associations (IPAs)).

A portion of the managed care fee-for-service revenues is collectible from patients in the form of deductibles, coinsurance and copayments. As patient cost-sharing has been increasing, the Company's collections may be adversely impacted.

In addition, Medicare and Medicaid and private insurers have increased their efforts to control the cost, utilization and delivery of healthcare services, including commercial laboratory services. Measures to regulate healthcare delivery in general, and clinical laboratories in particular, have resulted in reduced prices, added costs and decreased test utilization for the commercial laboratory industry by increasing complexity and adding new regulatory and administrative requirements. Pursuant to legislation passed in late 2003, the percentage of Medicare beneficiaries enrolled in Managed Medicare plans has increased. The percentage of Medicaid beneficiaries enrolled in Managed Medicaid plans has also increased; however, changes to, or repeal of, the Patient Protection and Affordable Care Act (ACA) may continue to affect coverage, reimbursement, and utilization of laboratory services, as well as administrative requirements, in ways that are currently unpredictable. Further healthcare reform could adversely affect laboratory reimbursement from Medicare, Medicaid or commercial carriers.

The Company has periodically experienced delays in the pricing and implementation of coding and billing changes among various payers, including Medicaid, Medicare and commercial carriers. While some delays were expected, payer policy changes in coverage have had a negative impact on revenue, revenue per requisition, and margins and cash flows. In 2022, limited coding and billing changes were implemented. While limited changes are expected to be implemented in 2023, the Company typically expects some delays in pricing and reimbursement as new codes are introduced.

The Company expects the efforts to impose reduced reimbursement, more stringent payment policies, and utilization and cost controls by government and other payers to continue. If Dx cannot offset additional reductions in the payments it receives for its services by reducing costs, increasing test volume, and/or introducing new services and procedures, it could have a material adverse effect on the Company’s revenues, profitability and cash flows. In 2014, Congress passed PAMA, requiring Medicare to change the way payment rates are calculated for tests paid under the CLFS, and to base the payment on the weighted median of rates paid by private payers. On June 23, 2016, CMS issued a final rule to implement PAMA that required applicable laboratories, including Dx, to begin reporting their test-specific private payer payment amounts to CMS during the first quarter of 2017. CMS exercised enforcement discretion to permit reporting for an additional 60 days, through May 30, 2017. CMS used that private market data to calculate weighted median prices for each test (based on applicable current procedural technology (CPT) codes) to represent the new CLFS rates beginning in 2018, subject to certain phase-in limits. For 2018-2020, a test price could not be reduced by more than 10% per year. As a result of provisions included within the CARES Act, PAMA rate reductions for 2021 were suspended, and therefore the Company did not experience any incremental reimbursement rate impact due to PAMA in 2021. As a result of the Protecting Medicare and American Farmers from Sequester Cuts Act that became law in December 2021, the data reporting requirements and Medicare reimbursement cuts that would have occurred under PAMA in 2022 were delayed by one additional year, and the Company did not experience incremental reimbursement rate impact due to PAMA in 2022. As a result of the Consolidated Appropriations Act, 2023, which became law in December 2022, the data reporting requirements and Medicare reimbursement cuts that would have occurred under PAMA in 2023 were delayed by one additional year, and the Company will not experience an incremental reimbursement rate impact due to PAMA in 2023.

For 2024-2026, a test price cannot be reduced by more than 15.0% per year. The process of data reporting and repricing will be repeated every three years for Clinical Diagnostic Laboratory Tests (CDLTs) beginning in 2024. CFLS rates for 2027 and subsequent periods will not be subject to phase-in limits. The phase-in of rates for CDLTs established in 2018 will resume in 2024. New CLFS rates will be established in 2025 based on data from 2019 to be reported in 2024. New CLFS rates will be established in 2028 based on data from 2026 to be reported in 2027 CLFS rates for Advanced Diagnostic Laboratory Tests (ADLTs) will be updated annually.

CMS published its initial proposed CLFS rates under PAMA for 2018-2020 on September 22, 2017. Following a public comment period, CMS made adjustments and published final CLFS rates for 2018-2020 on November 17, 2017, with additional adjustments published on December 1, 2017. For 2020, the Company realized a net reduction in reimbursement of approximately $72.01 million from all payers affected by the CLFS (approximately $107.0 million in 2019). 2021, 2022 and 2023 PAMA rates were frozen as described above. Unless implementation of PAMA is further delayed or changed, an additional reduction of approximately $100.0 million is expected for 2024, from all payers affected by the CLFS.

Healthcare reform legislation also contains numerous regulations that will require the Company, as an employer, to implement significant process and record-keeping changes to be in compliance. These changes increase the cost of providing healthcare coverage to employees and their families. Given the limited release of regulations to guide compliance, as well as potential changes to the ACA, the exact impact to employers, including the Company, is uncertain.

Changes in government regulation or in practices relating to the pharmaceutical, biotechnology, or medical device industries could decrease the need for certain services that DD provides.

DD assists pharmaceutical, biotechnology and medical device companies in navigating the regulatory approval process. Changes in regulations such as a relaxation in regulatory requirements or the introduction of simplified approval procedures, or an increase in regulatory requirements that DD has difficulty satisfying or that make its services less competitive, could eliminate or substantially reduce the demand for its services. Also, if government efforts to contain drug and medical product and device costs impact profits from such items, or if health insurers were to change their practices with respect to reimbursement for those items, some of DD's customers may spend less, or reduce their growth in spending on R&D.

In addition, implementation of healthcare reform legislation that adds costs could limit the profits that can be made from the development of new drugs and medical products and devices. This could adversely affect R&D expenditures by such companies, which could in turn decrease the business opportunities available to DD both in the U.S. and other countries. New laws or regulations may create a risk of liability, increase DD costs or limit service offerings through DD.

Increased competition, including price competition, could have an adverse effect on the Company's revenues and profitability.

As further described in Item 1 of Part I of this Annual Report, both Dx and DD operate in highly competitive industries. The commercial laboratory business is intensely competitive both in terms of price and service. Pricing of laboratory testing services is often one of the most significant factors used by physicians, third-party payers and consumers in selecting a laboratory. As a result of significant consolidation in the commercial laboratory industry, larger commercial laboratory providers are able to increase cost efficiencies afforded by large-scale automated testing. This consolidation results in greater price competition. Dx may be unable to increase cost efficiencies sufficiently, if at all, and as a result, its net earnings and cash flows could be negatively impacted by such price competition. The Company may face increased competition from health system laboratories, due to physicians within those systems directing their testing to the health system laboratory and away from the Company, and as those laboratories seek to expand their testing volume from unaffiliated physicians in their service areas. The Company may also face competition from companies that do not comply with existing laws or regulations or otherwise disregard compliance standards in the industry. Additionally, the Company may also face changes in fee schedules, competitive bidding for laboratory services, or other actions or pressures reducing payment schedules as a result of increased or additional competition.

Competitors in the CRO industry range from hundreds of smaller CROs to a limited number of large CROs with global capabilities. DD's main competition consists of these small and large CROs, as well as in-house departments of pharmaceutical, biotechnology and medical device companies and, to a lesser extent, select universities and teaching hospitals. DD's services have from time to time experienced periods of increased price competition that had an adverse effect on a segment's profitability and consolidated revenues and net income. There is competition among CROs for both customers and potential acquisition candidates. Additionally, few barriers to entering the CRO industry further increases possible new competition.

These competitive pressures may affect the attractiveness or profitability of Dx's and DD's services, and could adversely affect the financial results of the Company.

Failure to obtain and retain new customers, the loss of existing customers or material contracts, or a reduction in services or tests ordered or specimens submitted by existing customers, or the inability to retain existing and/or create new relationships with health systems could impact the Company's ability to successfully grow its business.

To maintain and grow its business, the Company needs to obtain and retain new customers and business partners. In addition, a reduction in tests ordered or specimens submitted by existing customers, a decrease in demand for the Company's services from existing customers, or the loss of existing contracts, without offsetting growth in its customer base, could impact the Company's ability to successfully grow its business and could have a material adverse effect on the Company's revenues and profitability. The Company competes primarily on the basis of the quality of services, reporting and information systems, reputation in the medical community and the drug development industry, the pricing of services and ability to employ qualified personnel. The Company's failure to successfully compete on any of these factors could result in the loss of existing customers, an inability to gain new customers and a reduction in the Company's business.

Discontinuation or recalls of existing testing products; failure to develop or acquire licenses for new or improved testing technologies; or the Company's customers using new technologies to perform their own tests could adversely affect the Company's business.

From time to time, manufacturers discontinue or recall reagents, test kits or instruments used by the Company to perform laboratory testing. Such discontinuations or recalls could adversely affect the Company's costs, testing volume and revenue.

The commercial laboratory industry is subject to changing technology and new product introductions. The Company's success in maintaining a leadership position in genomic and other advanced testing technologies will depend, in part, on its ability to develop, acquire or license new and improved technologies on favorable terms and to obtain appropriate coverage and reimbursement for these technologies. The Company may not be able to negotiate acceptable licensing arrangements, and it cannot be certain that such arrangements will yield commercially successful diagnostic tests. If the Company is unable to license these testing methods at competitive rates, its research and development (R&D) costs may increase as a result. In addition, if the Company is unable to license new or improved technologies to expand its esoteric testing operations, its testing methods may become outdated when compared with the Company's competition, and testing volume and revenue may be materially and adversely affected.

In addition, advances in technology may lead to the development of more cost-effective technologies such as point-of-care testing equipment that can be operated by physicians or other healthcare providers (including physician assistants, nurse practitioners and certified nurse midwives, generally referred to herein as physicians) in their offices or by patients themselves without requiring the services of freestanding clinical laboratories. Development of such technology and its use by the Company's customers could reduce the demand for its laboratory testing services and the utilization of certain tests offered by the Company and negatively impact its revenues.

Currently, most commercial laboratory testing is categorized as high or moderate complexity, and thereby is subject to extensive and costly regulation under CLIA. The cost of compliance with CLIA makes it impractical for most physicians to operate clinical laboratories in their offices, and other laws limit the ability of physicians to have ownership in a laboratory and to refer tests to such a laboratory. Manufacturers of laboratory equipment and test kits could seek to increase their sales by marketing point-of-care laboratory equipment to physicians and by selling test kits approved for home or physician office use to both physicians and patients. Diagnostic tests approved for home use are automatically deemed to be "waived" tests under CLIA and may be performed in physician office laboratories as well as by patients in their homes with minimal regulatory oversight. Other tests meeting certain FDA criteria also may be classified as "waived" for CLIA purposes. The FDA has regulatory responsibility over instruments, test kits, reagents and other devices used by clinical laboratories, and it has taken responsibility from the U.S. Centers for Disease Control and Prevention for classifying the complexity of tests for CLIA purposes. Increased approval of "waived" test kits could lead to increased testing by physicians in their offices or by patients at home, which could affect the Company's market for laboratory testing services and negatively impact its revenues.

Changes or disruption in services supplies, or transportation provided by third parties have impacted and could continue to impact or adversely affect the Company's business.

The Company depends on third parties to provide supplies and services critical to the Company's business. Although the Company has a significant proprietary network of ground and air transport capabilities, certain of the Company's businesses are heavily reliant on third-party ground and air travel for transport of clinical trial and diagnostic testing supplies and specimens, research products, and people. A significant disruption to these travel systems, or the Company's access to them, could have a material adverse effect on the Company's business. The Company is also reliant on an extensive network of third-party suppliers and vendors of certain services and products, including for certain animal populations. Disruptions to the continued supply, or increases in costs, of these services, products, or animal populations may arise from export/import restrictions or embargoes, political or economic instability, pressure from animal rights activists, adverse weather, natural disasters, public health crises, transportation disruptions, cyber attacks, or other causes, as well as from termination of relationships with suppliers or vendors for their failure to follow the Company's performance standards and requirements. Disruption of supply and services has impacted and could continue to impact or have a material adverse effect on the Company's business.

A failure to identify and successfully close and integrate strategic acquisition targets could have a material adverse effect on the Company's business objectives and its revenues and profitability.

Part of the Company's strategy involves deploying capital in investments that enhance the Company's business, which includes pursuing strategic acquisitions to strengthen the Company's scientific capabilities and enhance therapeutic expertise, enhance esoteric testing and global drug development capabilities, and increase presence in key geographic areas. Since 2018, the Company has invested net cash of approximately $2.9 billion in strategic business acquisitions. However, the Company cannot assure that it will be able to identify acquisition targets that are attractive to the Company or that are of a large enough size to have a meaningful impact on the Company's operating results. Furthermore, the successful closing and integration of a strategic acquisition entails numerous risks, including, among others:

- failure to obtain regulatory clearance, including due to antitrust concerns;
- loss of key customers or employees;

- difficulty in consolidating redundant facilities and infrastructure and in standardizing information and other systems;
- unidentified regulatory problems;
- failure to maintain the quality of services that such companies have historically provided;
- unanticipated costs and other liabilities;
- potential liabilities related to litigation including the acquired companies;
- potential periodic impairment of goodwill and intangible assets acquired;
- coordination of geographically separated facilities and workforces; and
- the potential disruption of the ongoing business and diversion of management's resources.

The Company cannot assure that current or future acquisitions, if any, or any related integration efforts will be successful, or that the Company's business will not be adversely affected by any future acquisitions, including with respect to revenues and profitability. Even if the Company is able to successfully integrate the operations of businesses that it may acquire in the future, the Company may not be able to realize the benefits that it expects from such acquisitions.

Unfavorable labor environments, union strikes, work stoppages, union or works council negotiations, or failure to comply with labor or employment laws could adversely affect the Company's operations and have a material adverse effect upon the Company's business.

The Company is a party to a limited number of collective bargaining agreements with various labor unions and is subject to employment and labor laws and unionization activity in the U.S. Similar employment and labor obligations exist across other countries in which it conducts business, including appropriate engagement with works councils in Europe. Disputes with regard to the terms of labor agreements or obligations for consultation, potential inability to negotiate acceptable contracts with these unions, unionization activity, or a failure to comply with labor or employment laws could result in, among other things, labor unrest, strikes, work stoppages, slowdowns by the affected workers, fines and penalties. If any of these events were to occur, or other employees were to become unionized, the Company could experience a significant disruption of its operations or higher ongoing labor costs, either of which could have a material adverse effect upon the Company's business. Additionally, future labor agreements, or renegotiation of labor agreements or provisions of labor agreements, or changes in labor or employment laws, could compromise its service reliability and significantly increase its costs, which could have a material adverse effect upon the Company's business. Also, the Company may incur substantial additional costs and become subject to litigation and enforcement actions if the Company fails to comply with legal requirements affecting its workforce and labor practices, including laws and regulations related to wage and hour practices, Office of Federal Contract Compliance Programs (OFCCP) compliance, and unlawful workplace harassment and discrimination.

Continued and increased consolidation of pharmaceutical, biotechnology and medical device companies, health systems, physicians and other customers could adversely affect the Company's business.

Many healthcare companies and providers, including pharmaceutical, biotechnology and medical device companies, health systems and physician practices are consolidating through mergers, acquisitions, joint ventures and other types of transactions and collaborations. In addition to these more traditional horizontal mergers that involve entities that previously competed against each other, the healthcare industry is experiencing an increase in vertical mergers, which involve entities that previously did not offer competing goods or services. As the healthcare industry consolidates, competition to provide goods and services may become more intense, and vertical mergers may give those combined companies greater control over more aspects of healthcare, including increased bargaining power. This competition and increased customer bargaining power may adversely affect the price and volume of the Company’s services.

In addition, as the broader healthcare industry trend of consolidation continues, including the acquisition of physician practices by health systems, relationships with hospital-based health systems and integrated delivery networks are becoming more important. Dx has a well-established base of relationships with those systems and networks, including collaborative agreements. Dx's inability to retain its existing relationships with those physicians as they become part of healthcare systems and networks and/or to create new relationships could impact its ability to successfully grow its business.

Damage or disruption to the Company’s facilities could adversely affect the Company’s business.

Many of the Company’s facilities could be difficult to replace in a short period of time. Any event that causes a disruption of the operation of these facilities might impact the Company's ability to provide services to customers and, therefore, could have a material adverse effect on the Company's financial condition, results of operations, and cash flows.

Risks Related to Financial Matters

The Company bears financial risk for contracts that, including for reasons beyond the Company's control, may be underpriced, subject to cost overruns, delayed, or terminated or reduced in scope.

The Company has many contracts that are structured as fixed-price for fixed-contracted services or fee-for-service with a

cap. The Company bears the financial risk if these contracts are underpriced or if contract costs exceed estimates. Such underpricing or significant cost overruns could have an adverse effect on the Company's business, results of operations, financial condition and cash flows.

Many of DD's contracts, in particular, provide for services on a fixed-price or fee-for-service with a cap basis and they may be terminated or reduced in scope either immediately or upon notice. Cancellations may occur for a variety of reasons, including:

- failure of products to satisfy safety requirements;
- unexpected or undesired results of the products;
- insufficient clinical trial subject enrollment;
- insufficient investigator recruitment;
- a customer's decision to terminate the development of a product or to end a particular study; and
- DD's failure to perform its duties properly under the contract.

Although its contracts often entitle it to receive the costs of winding down the terminated projects, as well as all fees earned up to the time of termination, the loss, reduction in scope or delay of a large contract or the loss, delay or conclusion of multiple contracts could materially adversely affect DD.

A significant increase in the Company's days sales outstanding could have an adverse effect on the Company's business, including its cash flow, by increasing its bad debt or decreasing its cash flow.

Billing for laboratory services is a complex process. Laboratories bill many different payers, including doctors, patients, hundreds of insurance companies, Medicare, Medicaid and employer groups, all of which have different billing requirements. In addition to billing complexities, Dx has experienced an increase in patient responsibility as a result of managed care fee-for-service plans that continue to increase patient deductibles, coinsurance and copayments, or implement restrictive coverage or administrative policies that can further increase patient costs. Dx expects this trend to continue. A material increase in Dx's days sales outstanding level could have an adverse effect on the Company's business, including potentially increasing its bad debt rate and decreasing its cash flows. Although DD does not face the same level of complexity in its billing processes, it could also experience delays in billing or collection, and a material increase in DD's days sales outstanding could have an adverse effect on the Company's business, including potentially decreasing its cash flows.

DD's revenues depend on the pharmaceutical, biotechnology and medical device industries.

DD's revenues depend greatly on the expenditures made by the pharmaceutical, biotechnology and medical device industries in R&D. In some instances, these companies are reliant on their ability to raise capital in order to fund their R&D projects. These companies are also reliant on reimbursement for their products from government programs and commercial payers. Accordingly, economic factors and industry trends affecting DD's customers in these industries may also affect DD. If these companies were to reduce the number of R&D projects they conduct or outsource, whether through the inability to raise capital, reductions in reimbursement from governmental programs or commercial payers, industry trends, economic conditions or otherwise, DD could be materially adversely affected.

Foreign currency exchange fluctuations could have an adverse effect on the Company's business.

The Company has business and operations outside the U.S., and DD derives a significant portion of its revenues from international operations. Since the Company's consolidated financial statements are denominated in U.S. dollars, fluctuations in exchange rates from period to period will have an impact on reported results. In addition, DD may incur costs in one currency related to its services or products for which it is paid in a different currency. As a result, factors associated with international operations, including changes in foreign currency exchange rates, could significantly affect DD's results of operations, financial condition and cash flows.

The Company's uses of financial instruments to limit its exposure to interest rate and currency exchange fluctuations could expose it to risks and financial losses that may adversely affect the Company's financial condition, liquidity and results of operations.

To limit the Company's exposure to interest rate fluctuations and currency exchange fluctuations, it has entered into, and in the future may enter into for these or other purposes, financial swaps, or hedging arrangements, with various financial counterparties. In addition to any risks related to the counterparties, there can be no assurances that the Company's hedging activity will be effective in insulating it from the risks associated with the underlying transactions, that the Company would not have been better off without entering into these hedges, or that the Company will not have to pay additional amounts upon settlement.

The Company’s level of indebtedness and debt service requirements could adversely affect the Company’s liquidity, results of operations and business.

At December 31, 2022, indebtedness on the Company's outstanding Senior Notes totaled approximately $5,450.0 million in aggregate principal. The Company is also a party to credit agreements relating to a $1.0 billion revolving credit facility. Under the revolving credit facility, the Company is subject to negative covenants limiting subsidiary indebtedness and certain other covenants typical for investment-grade-rated borrowers, and the Company is required to maintain a leverage ratio within certain limits.

The Company’s level of indebtedness and debt service requirements could adversely affect its business. In particular, it could increase the Company’s vulnerability to sustained, adverse macroeconomic weakness, limit its ability to obtain further financing or refinance existing debt at maturity, and limit its ability to pursue certain operational and strategic opportunities, including large acquisitions. Additionally, the Company's cost of funds could increase due to the impact of increases in prevailing interest rates on its variable rate debt and should the Company refinance existing debt at maturity or obtain further financing.

The Company may also enter into additional transactions or credit facilities, including other long-term debt, which may increase its indebtedness and result in additional restrictions upon the business. In addition, major debt rating agencies regularly evaluate the Company's debt based on a number of factors. There can be no assurance that the Company will be able to maintain its existing debt ratings, and failure to do so could adversely affect the Company's cost of funds, liquidity and access to capital markets.

The Company's quarterly operating results may vary.

The Company's operating results may vary significantly from quarter to quarter and are influenced by factors over which the Company has little control, such as:

- changes in the general global economy;
- exchange rate fluctuations;
- the commencement, completion, delay or cancellation of large projects or contracts or groups of projects;
- the progress of ongoing projects;
- weather;
- the timing of and charges associated with completed acquisitions or other events; and
- changes in the utilization mix of the Company's services.

The Company believes that operating results for any particular quarter are not necessarily a meaningful indication of future results. While fluctuations in the Company's quarterly operating results could negatively or positively affect the market price of the Company's common stock, these fluctuations may not be related to the Company's future overall operating performance.

Risks Related to the Planned Spin-off of the Company’s Clinical Development and Commercialization Services Business

The planned spin-off of the Company’s Clinical Development and Commercialization Services business may not be completed on the terms or timeline currently contemplated, if at all, and may not achieve the intended results.

The Company is pursuing a spin-off of its wholly owned Clinical Development and Commercialization Services (CDCS) business, which includes the parts of its DD segment focused on providing Phase I-IV clinical trial management, market access, and technology solutions to pharmaceutical and biotechnology organizations, which would result in two independent, publicly traded companies. Unanticipated issues including, but not limited to, the failure to obtain regulatory approval, obtain appropriate assurances regarding the tax-free nature of the spin-off, or have the Form 10 registration statement that will be filed with the SEC declared effective on a timely basis or at all, could delay, prevent, or otherwise adversely affect the planned spin-off. There can be no assurance that the conditions of the spin-off will be satisfied or that Company will be able to complete the spin-off on the terms or on the anticipated timeline, or at all.

The Company expects that pursuing and implementing the spin-off will continue to require significant expenses and management time and effort, may divert management’s attention from the Company and CDCS' ongoing business operations and may adversely impact relationships with customers, suppliers, employees, and other business counterparties. The Company may experience delays, business disruption, increased costs, including from lost synergies or from restructuring transactions, negative market reaction to the announcement and planning for the transaction, change in market receptiveness to effect transactions in the capital markets, and other challenges during or following the spin-off, which could adversely affect the Company’s business, financial condition, and results of operations. The Company may also experience increased challenges in attracting, retaining, and motivating key personnel during the pendency of the spin-off and following its completion, which could harm the Company’s business. The Company anticipates that, consistent with any applicable legal and tax requirements, there will be ongoing transitional and commercial arrangements to provide for a seamless delivery of services to the customers

and other stakeholders of the independent companies following the spin-off, but those arrangements may not meet the intended objectives, which could negatively impact the Company's and CDCS' business, including relationships with customers and other business counterparties.

Further, if the planned spin-off is completed, the anticipated benefits of the transaction may not be realized within the expected time periods or at all. Failure to implement the planned spin-off effectively or the negative reaction of customers, the Company's employees, and other stakeholders could also result in a decline in value of one or both of the companies.

Risks Related to Regulatory and Compliance Matters

Changes, including changes in interpretation, in payer regulations, policies or approvals, or changes in laws, regulations or policies in the U.S. or globally, may adversely affect the Company.

U.S. and state government payers, such as Medicare and Medicaid, as well as insurers, including MCOs, have increased their efforts to control the cost, utilization and delivery of healthcare services. From time to time, Congress has considered and implemented changes in Medicare fee schedules in conjunction with budgetary legislation. The first phase of reductions pursuant to PAMA came into effect on January 1, 2018, and will continue annually subject to certain delays in implementation and phase-in limits through 2026, and without limitations for subsequent periods. Further reductions due to changes in policy regarding coverage of tests or other requirements for payment, such as prior authorization, diagnosis code and other claims edits, may be implemented from time to time. Reimbursement for pathology services performed by Dx is also subject to statutory and regulatory reduction. Reductions in the reimbursement rates and changes in payment policies of other third-party payers may occur as well. Such changes in the past have resulted in reduced payments as well as added costs and have decreased test utilization for the commercial laboratory industry by adding more complex new regulatory and administrative requirements. Further changes in third-party payer regulations, policies, or laboratory benefit or utilization management programs may have a material adverse effect on Dx's business. Actions by federal and state agencies regulating insurance, including healthcare exchanges, or changes in other laws, regulations, or policies may also have a material adverse effect upon Dx's business.

The Company could face significant monetary damages and penalties and/or exclusion from government programs if it violates anti-fraud and abuse laws.

The Company is subject to extensive government regulation at the federal, state, and local levels in the U.S. and other countries where it operates. The Company's failure to meet governmental requirements under these regulations, including those relating to billing practices and financial relationships with physicians, hospitals, and health systems could lead to civil and criminal penalties, exclusion from participation in Medicare and Medicaid and possible prohibitions or restrictions on the use of its laboratories. While the Company believes that it is in material compliance with all statutory and regulatory requirements, there is a risk that government authorities might take a contrary position. This risk includes, but is not limited to, the potential that government enforcement authorities may take a contrary position with respect to the Eliminating Kickbacks in Recovery Act, given the lack of associated regulations to clarify or add exceptions. Such occurrences, regardless of their outcome, could damage the Company's reputation and adversely affect important business relationships.

The Company's business could be harmed from the loss or suspension of a license or imposition of a fine or penalties under, or future changes in, or interpretations of, the law or regulations of CLIA, Medicare, Medicaid or other national, state or local agencies in the U.S. and other countries where the Company operates laboratories.

The commercial laboratory testing industry is subject to extensive U.S. regulation, and many of these statutes and regulations have not been interpreted by the courts. CLIA extends federal oversight to virtually all clinical laboratories operating in the U.S. by requiring that they be certified by the federal government or by a federally approved accreditation agency. The sanction for failure to comply with CLIA requirements may be suspension, revocation or limitation of a laboratory's CLIA certificate, which is necessary to conduct business, as well as significant fines and/or criminal penalties. In addition, the Company is subject to regulation under state law. State laws may require that laboratories and/or laboratory personnel meet certain qualifications, specify certain quality controls or require maintenance of certain records. The Company also operates laboratories outside of the U.S. and is subject to laws governing its laboratory operations in the other countries where it operates.

Applicable statutes and regulations could be interpreted or applied by a prosecutorial, regulatory or judicial authority in a manner that would adversely affect the Company's business. Potential sanctions for violation of these statutes and regulations include significant fines and the suspension or loss of various licenses, certificates and authorizations, which could have a material adverse effect on the Company's business. In addition, compliance with future legislation could impose additional requirements on the Company, which may be costly.

Failure of the Company or its third-party service providers to comply with privacy and security laws and regulations could result in fines, penalties and damage to the Company's reputation with customers and have a material adverse effect upon the Company's business.

If the Company and its third-party service providers do not comply with existing or new laws and regulations related to protecting the privacy and security of personal or health information, it could be subject to monetary fines, civil penalties or criminal sanctions.

In the U.S., the Health Insurance Portability and Accountability Act of 1996 (HIPAA) privacy and security regulations, including the expanded requirements under U.S. Health Information Technology for Economic and Clinical Health Act (HITECH), establish comprehensive standards with respect to the use and disclosure of protected health information (PHI), by covered entities, in addition to setting standards to protect the confidentiality, integrity and security of PHI.

HIPAA restricts the Company's ability to use or disclose PHI, without patient authorization, for purposes other than payment, treatment or healthcare operations (as defined by HIPAA), except for disclosures for various public policy purposes and other permitted purposes outlined in the privacy regulations. HIPAA and HITECH provide for significant fines and other penalties for wrongful use or disclosure of PHI in violation of the privacy and security regulations, including potential civil and criminal fines and penalties. The regulations establish a complex regulatory framework on a variety of subjects, including:

- the circumstances under which the use and disclosure of PHI are permitted or required without a specific authorization by the patient, including, but not limited to, treatment purposes, activities to obtain payments for the Company's services, and its healthcare operations activities;
- a patient's rights to access, amend and receive an accounting of certain disclosures of PHI;
- the content of notices of privacy practices for PHI;
- administrative, technical and physical safeguards required of entities that use or receive PHI; and
- the protection of computing systems maintaining electronic PHI.

The Company has implemented policies and procedures designed to comply with the HIPAA privacy and security requirements as applicable. The privacy and security regulations establish a "floor" and do not supersede state laws that are more stringent. Therefore, the Company is required to comply with both additional federal privacy and security regulations and varying state privacy and security laws. In addition, federal and state laws that protect the privacy and security of patient information may be subject to enforcement and interpretations by various governmental authorities and courts, resulting in complex compliance issues. For example, the Company could incur damages under state laws, including pursuant to an action brought by a private party for the wrongful use or disclosure of health information or other personal information.

The Company may also be required to comply with the data privacy and security laws of other countries in which it operates or with which it transfers and receives data. For example, the EU's General Data Protection Regulation (GDPR), which took effect May 25, 2018, created a range of compliance obligations for subject companies and imposes penalties for noncompliance of up to the greater of €20 million or 4% of worldwide revenue. The Company has established processes and frameworks to manage compliance with the GDPR. Potential fines and penalties in the event of a violation of the GDPR could have a material adverse effect on the Company's business and operations. In addition, similar data protection regulations addressing access, use, disclosure and transfer of personal data have been enacted or updated in regions where the Company does business, including in Asia, Latin America, and Europe. The Company expects to make changes to its business practices and to incur additional costs associated with compliance with these evolving and complex regulations.

The Company's international operations could subject it to additional risks and expenses that could adversely impact the business or results of operations.

The Company's international operations expose it to risks from potential failure to comply with foreign laws and regulations that differ from those under which the Company operates in the U.S. In addition, the Company may be adversely affected by other risks of expanded operations in foreign countries, including, but not limited to, changes in reimbursement by foreign governments for services provided by the Company; compliance with export controls and trade regulations; changes in tax policies or other foreign laws; compliance with foreign labor and employee relations laws and regulations; restrictions on currency repatriation; judicial systems that less strictly enforce contractual rights; countries that do not have clear or well-established laws and regulations concerning issues relating to commercial laboratory testing or drug development services; countries that provide less protection for intellectual property rights; and procedures and actions affecting approval, production, pricing, reimbursement and marketing of products and services. Further, international operations could subject the Company to additional expenses that the Company may not fully anticipate, including those related to enhanced time and resources necessary to comply with foreign laws and regulations, difficulty in collecting accounts receivable and longer collection periods, and difficulties and costs of staffing and managing foreign operations. In some countries, the Company's success will depend in part on its ability to form relationships with local partners. The Company's inability to identify appropriate partners or

reach mutually satisfactory arrangements could adversely affect the business and operations.

Expanded international operations may increase the Company's exposure to liabilities under the anti-corruption laws.

Anti-corruption laws in the countries where the Company conducts business, including the U.S. Foreign Corrupt Practices Act (FCPA), U.K. Bribery Act, and similar laws in other jurisdictions, prohibit companies and their intermediaries from engaging in bribery including improperly offering, promising, paying or authorizing the giving of anything of value to individuals or entities for the purpose of corruptly obtaining or retaining business. The Company operates in some parts of the world where corruption may be common and where anti-corruption laws may conflict to some degree with local customs and practices. The Company maintains an anti-corruption program including policies, procedures, training and safeguards in the engagement and management of third parties acting on the Company's behalf. Despite these safeguards, the Company cannot guarantee protection from corrupt acts committed by employees or third parties associated with the Company. Violations or allegations of violations of anti-corruption laws could have a significant adverse effect on the business or results of operations.

Failure to comply with the regulations of pharmaceutical and medical device regulatory agencies, such as the FDA, the Medicines and Healthcare Products Regulatory Agency in the United Kingdom (U.K.), the European Medicines Agency, the National Medical Products Administration in China (NMPA), and the Pharmaceuticals and Medical Devices Agency in Japan, could result in fines, penalties, and sanctions against DD and have a material adverse effect upon the Company.

The operation of DD's preclinical laboratory facilities and clinical trial operations must conform to good laboratory practice (GLP) and good clinical practice (GCP), as applicable, as well as all other applicable standards and regulations, as further described in Item 1 of Part I of this Annual Report. The business operations of DD's clinical and preclinical laboratories also require the import, export and use of medical devices, in vitro diagnostic devices, reagents, and human and animal biological products. Such activities are subject to numerous applicable local and international regulations with which DD must comply. If DD does not comply, DD could potentially be subject to civil, criminal or administrative sanctions and/or remedies, including suspension of its ability to conduct preclinical and clinical studies, and to import or export to or from certain countries, which could have a material adverse effect upon the Company.

Additionally, certain DD services and activities must conform to current good manufacturing practice (cGMP), as further described in Item 1 of Part I of this Annual Report. Failure to maintain compliance with GLP, GCP, or cGMP regulations and other applicable requirements of various regulatory agencies could result in warning or untitled letters, fines, unanticipated compliance expenditures, suspension of manufacturing, and civil, criminal or administrative sanctions and/or remedies against DD, including suspension of its laboratory operations, which could have a material adverse effect upon the Company.

Increased regulations and restrictions on the import of research animals, limitations of supply of research animals, and actions of animal rights activists may have an adverse effect on the Company.

DD's preclinical services utilize animals in preclinical testing of the safety and efficacy of drugs and devices. Such activities are required for the development of new medicines and medical devices under regulatory regimes in the U.S., Europe, Japan, and other countries. Increased regulations and restrictions on the import of research animals into various countries, as well as limitations of supply, such as those the Company and others experienced in 2022 due to market factors in certain global regions, could impact DD's ability to conduct preclinical research and could have an adverse effect on DD's financial condition, results of operations, and cash flows. In addition, acts of vandalism and other acts by animal rights activists who object to the use of animals in drug development could have an adverse effect on the Company.

Animal populations may suffer diseases that can damage DD's inventory, harm its reputation, or result in other liability.

It is important that research products be free of diseases, including infectious diseases. The presence of diseases can distort or compromise the quality of research results, cause loss of animals in DD's inventory, result in harm to humans or outside animal populations if the disease is not contained to animals in inventory, or result in other losses. Such results could harm DD's reputation or have an adverse effect on DD's financial condition, results of operations, and cash flows.

Failure to conduct animal research in compliance with animal welfare laws and regulations could result in sanctions and/or remedies against DD and have a material adverse effect upon the Company.

The conduct of animal research at DD's facilities must be in compliance with applicable laws and regulations in the jurisdictions in which those activities are conducted. These laws and regulations include the U.S. Animal Welfare Act (AWA), which governs the care and use of warm-blooded animals for research in the U.S. other than laboratory rats, mice and chickens, and is enforced through periodic inspections by the U.S. Department of Agriculture (USDA). The AWA establishes facility standards regarding several aspects of animal welfare, including housing, ventilation, lighting, feeding and watering, handling, veterinary care, and recordkeeping. Similar laws and regulations apply in other jurisdictions in which DD conducts animal research, including the UK, EU, and China. DD complies with licensing and registration requirement standards set by these

laws and regulations in the jurisdictions in which it conducts animal research. If an enforcement agency determines that DD's equipment, facilities, laboratories or processes do not comply with applicable standards, it may issue an inspection report documenting the deficiencies and setting deadlines for any required corrective actions. For noncompliance, the agency may take action against DD that may include fines, suspension and/or revocation of animal research licenses, or confiscation of research animals.

U.S. Food and Drug Administration (FDA) regulation of diagnostic products, increased FDA regulation of laboratory-developed tests (LDTs), and regulation by other countries of diagnostic products could result in increased costs and the imposition of fines or penalties, and could have a material adverse effect upon the Company's business.

The FDA has regulatory responsibility for instruments, test kits, reagents and other devices used by clinical laboratories. The FDA enforces laws and regulations that govern the development, testing, manufacturing, performance, labeling, advertising, marketing, distribution, and surveillance of diagnostic products, and it regularly inspects and reviews the manufacturing processes and product performance of diagnostic products. Dx's point-of-care testing devices are subject to regulation by the FDA.

Since the 1990s, the FDA has asserted that it has authority to regulate LDTs as medical devices, but has exercised enforcement discretion to refrain from systematic regulation of LDTs. In 2014, the FDA issued draft guidance describing how it intended to discontinue its enforcement discretion policy and begin regulating LDTs as medical devices; however, that draft guidance has not been finalized, and the FDA has instead continued its enforcement discretion policy and has indicated that it intends to work with Congress to enact comprehensive legislative reform of diagnostics oversight. As such, LDTs developed by high complexity clinical laboratories are currently generally offered as services to health care providers under the CLIA regulatory framework administered by CMS, without the requirement for FDA clearance or approval. There are other regulatory and legislative proposals that would increase general FDA oversight of clinical laboratories and LDTs. The outcome and ultimate impact of such proposals on the business is difficult to predict at this time. On February 20, 2020, the FDA issued a statement with a table of pharmacogenetic associations setting forth certain gene-drug interactions that the agency has determined are supported by the scientific literature to help ensure that claims being made for pharmacogenetic tests are grounded in sound science, thereby reducing the risk of enforcement actions with respect to LDTs offering claims consistent with the table. The FDA noted that while it is committed to work with Congress on new comprehensive diagnostic oversight reform legislation, it could still take enforcement actions under the current medical device framework regarding diagnostic claims the agency determines not to be sufficiently supported. Even without issuance of a finalized LDT oversight framework, in light of the April 4, 2019, FDA warning letter issued to Inova Genomics Laboratory related to certain LDTs that Inova offered, as well as the February 2020 pharmacogenetics statement and the failure to pass diagnostic reform legislation in 2022, there may be an increased risk of FDA enforcement actions for laboratory tests offered by companies without FDA clearance or approval.

Current FDA regulation of the Company's diagnostic products and the potential for future increased regulation of the Company's LDTs in the future could result in increased costs and administrative and legal actions for noncompliance, including warning letters, fines, penalties, product suspensions, product recalls, injunctions, and other civil and criminal sanctions, which could have a material adverse effect upon the Company.

Regulation of diagnostics products in jurisdictions outside the U.S. in which the Company operates may impact laboratory testing offered by the Company in both Dx and DD. For example, the European Union In Vitro Diagnostics Regulation (Regulation (EU) 2017/746 (EU IVDR)), which became applicable on May 26, 2022, establishes a new legislative framework for in vitro diagnostic devices that are used in certain circumstances, and includes a rule-based classification and quality and safety standards. The EU IVDR, where applicable to DD's services, could impact DD's ability to support trials, result in increased costs and administrative and legal actions, and have an adverse effect.

Failure to comply with U.S., state, local or international environmental, health and safety laws and regulations, including the U.S. Occupational Safety and Health Administration Act and the U.S. Needlestick Safety and Prevention Act, could result in fines, penalties and loss of licensure, and have a material adverse effect upon the Company.

As previously discussed in Item 1 of Part I of this Annual Report, the Company is subject to licensing and regulation under laws and regulations relating to the protection of the environment and human health and safety, including laws and regulations relating to the handling, transportation and disposal of medical specimens, infectious and hazardous waste and radioactive materials, as well as regulations relating to the safety and health of laboratory employees. Failure to comply with these laws and regulations could subject the Company to denial of the right to conduct business, fines, criminal penalties and/or other enforcement actions that would have a material adverse effect on its business. In addition, compliance with future legislation could impose additional requirements on the Company that may be costly.

Risks Related to Technology and Cybersecurity

Failure to maintain the security of customer-related information or compliance with security requirements could damage the Company's reputation with customers, cause it to incur substantial additional costs and become subject to litigation and enforcement actions.

The Company receives and stores certain personal and financial information about its customers. In addition, the Company depends upon the secure transmission of confidential information over public networks, including information permitting cashless payments. The Company also works with third-party service providers and vendors that provide technology systems and services that are used in connection with the receipt, storage, and transmission of customer personal and financial information. A compromise in the Company's security systems, or those of the Company's third-party service providers and vendors, that results in customer personal information being obtained by unauthorized persons, or the Company's or a third party's failure to comply with security requirements for financial transactions, including security standards for payment cards (e.g., the Payment Card Industry Data Security Standard), could adversely affect the Company's reputation with its customers and others, as well as the Company's results of operations, financial condition and liquidity. It could also result in litigation against the Company and the imposition of fines and penalties. For example, in connection with the AMCA Incident the Company has incurred, and expects to continue to incur, costs, and the Company is involved in pending and threatened litigation, as well as various government and regulatory inquiries and processes. For additional information about the AMCA Incident, see Note 14 Commitments and Contingencies to the Consolidated Financial Statements of Part III of the Annual Report.

Failure in the Company's information technology systems or delays or failures in the development and implementation of new systems or updates or enhancements to existing systems could disrupt the Company's operations or customer relationships.

The Company's operations and customer relationships depend, in part, on the continued performance of its information technology systems. A failure of the network or data-gathering procedures could impede the processing of data, delivery of databases and services, customer orders and day-to-day management of the business and could result in the corruption or loss of data. Despite network security measures and other precautions the Company has taken, including the development of disaster recovery plans, its information technology systems are potentially vulnerable to physical or electronic break-ins, computer viruses, fire, natural disaster, power loss, telecommunications failures, cybersecurity breaches and similar disruptions, and there may not be adequate protections, mitigation plans or redundant facilities available in the event of such system failures. In addition, the Company may experience system failures or interruptions as it integrates the information technology systems of newly acquired businesses. Failures or interruption of the Company's systems in one or more of its operations could result in interruptions of service, disrupt the Company's ability to process laboratory requisitions, perform testing, provide test results or drug development data in a timely manner and/or conduct timely billing operations. Such system failures could require the Company to transfer operations to an alternative provider of services, which could result in a delays in the delivery of products and services to customers. Additionally, significant delays in the planned delivery of system enhancements or improvements, or inadequate performance of the systems once they are complete could damage the Company's reputation and harm the business. Furthermore, failure of the Company's information technology systems could adversely affect the Company's business, profitability, financial condition, and reputation.

Security breaches and unauthorized access to the Company's or its customers' data could harm the Company's reputation and adversely affect its business.

The Company has experienced and expects to continue to experience attempts by computer programmers and hackers to attack and penetrate the Company's layered security controls, like the 2018 ransomware attack. The Company has also experienced and expects to continue to experience similar attempts to attack and penetrate the systems of third-party suppliers and vendors to whom the Company has provided data, like the 2019 AMCA data breach. These attempts, if successful, could result in the misappropriation or compromise of personal information or proprietary or confidential information stored within the Company's systems or within the systems of third parties, create system disruptions or cause shutdowns. External actors are developing and deploying viruses, worms and other malicious software programs that attack the Company's systems, the systems of third-parties, or otherwise exploit any security vulnerabilities. Outside parties may also attempt to fraudulently induce employees to take actions, including the release of confidential or sensitive information or to make fraudulent payments through illegal electronic spamming, phishing, spear phishing, or other tactics.

The Company has robust information security procedures and other safeguards in place, including evaluating the cybersecurity status of third-party suppliers and vendors that will have access to the Company's data or information technology systems, which are monitored and routinely tested internally and by external parties. However, because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and often are not recognized until launched against a target, the Company may be unable to anticipate all of these techniques or to implement adequate preventive

measures. In addition, as cyber threats continue to evolve, the Company may be required to expend additional resources to continue to enhance the Company's information security measures or to investigate and remediate any information security vulnerabilities. The Company's remediation efforts may not be successful and could result in interruptions, delays or cessation of service. This could also impact the cost and availability of cyber insurance to the Company. Breaches of the Company's or third parties' security measures and the unauthorized dissemination of personal, proprietary or confidential information about the Company or its customers or other third parties could expose customers' private information. Such breaches could expose customers to the risk of financial or medical identity theft or expose the Company or other third parties to a risk of loss or misuse of this information, result in litigation and potential liability for the Company, damage the Company's brand and reputation or otherwise harm the Company's business. Any of these disruptions or breaches of security could have a material adverse effect on the Company's business, regulatory compliance, financial condition and results of operations.

In addition, the Company faces increased cybersecurity risks due to the number of employees that continue to work remotely, which increased significantly as a result of the COVID-19 pandemic, and which remains at levels higher than prior to the pandemic as a result of changes in the workplace and to management and employee expectations. Increased levels of remote access create additional opportunities for cybercriminals to exploit vulnerabilities, and employees may be more susceptible to phishing and social engineering attempts. In addition, technological resources may become strained due to the number of remote users.

The Company depends on third parties to provide services critical to the Company's business, and depends on them to comply with applicable laws and regulations. Additionally, any breaches of the information technology systems of third parties could have a material adverse effect on the Company's operations.

The Company depends on third parties to provide services critical to the Company's business, including supplies, ground and air transport of clinical and diagnostic testing supplies and specimens, research products, and people, among other services. Third parties that provide services to the Company are subject to similar risks related to security of customer-related information and compliance with U.S., state, local, or international environmental, health and safety, and privacy and security laws and regulations as the Company. Any failure by third parties to comply with applicable laws, or any failure of third parties to provide services more generally, could have a material impact on the Company, whether because of the loss of the ability to receive services from the third parties, legal liability of the Company for the actions or inactions of third parties, or otherwise.

In addition, third parties to whom the Company outsources certain services or functions may process personal data, or other confidential information of the Company. A breach or cyber attack affecting these third parties, like the AMCA Incident, could also harm the Company's business, results of operations and reputation.

Risks Related to Legal Matters

Adverse results in material litigation matters could have a material adverse effect upon the Company's business.

The Company is currently and may continue to be subject in the ordinary course of business to legal actions related to, among other things, intellectual property disputes, contract disputes, data and privacy issues, professional liability and employee-related matters, which may be or may become material. The Company also has received and may in the future receive inquiries and requests for information from governmental agencies and bodies, including Medicare or Medicaid payers, requesting comment and/or information on various matters, including allegations of billing irregularities, billing and pricing arrangements, or privacy practices that are brought to its attention through audits or third parties. Legal actions can result in substantial monetary damages as well as damage to the Company's reputation with customers, which could have a material adverse effect upon its business.

The failure to successfully obtain, maintain and enforce intellectual property rights and defend against challenges to the Company's intellectual property rights could adversely affect the Company.

Many of the Company's services, products and processes rely on intellectual property, including patents, copyrights, trademarks and trade secrets. In some cases, that intellectual property is owned by another party and licensed to the Company, sometimes exclusively. The value of the Company's intellectual property relies in part on the Company's ability to maintain its proprietary rights to such intellectual property. The Company has been in the past and may be unable in the future to obtain or maintain the proprietary rights to its intellectual property, to prevent attempted infringement against its intellectual property, or to defend against claims that it is infringing on another party's intellectual property, and the Company could be adversely affected.

For example, in October 2020, Ravgen Inc. filed a patent infringement lawsuit against the Company alleging infringement of two Ravgen-owned U.S. patents, and in September 2022, a jury rendered a verdict in favor of Ravgen on the remaining patent at issue, finding that the Company willfully infringed Ravgen's patent, and awarded damages of $272 million. Ravgen has filed post-trial motions seeking enhanced damages of up to $817 million based on the finding of willfulness, as well as

attorney's fees and costs. The Company strongly disagrees with the verdict, based on a number of legal factors, and will vigorously defend the lawsuit through the appeal process. On June 4, 2021, the Company also instituted proceedings before the Patent Trial and Appeal Board of the U.S. Patent and Trademark Office challenging the validity of the Ravgen patent at issue in the trial. In November 2022, the Patent Trial and Appeal Board issued a decision upholding the validity of the Ravgen patent, and the Company has filed an appeal of this decision.

Adverse effects resulting from the failure to successfully obtain, maintain, and enforce intellectual property rights and defend against challenges to the Company's intellectual property rights could include the Company having to abandon, alter and/or delay the deployment of products, services or processes that rely on such intellectual property; having to procure and pay for licenses from the holders of intellectual property rights that the Company seeks to use; and having to pay damages, fines, court costs and attorney's fees in connection with intellectual property litigation.

Changes in tax laws and regulations or the interpretation of such may have a significant impact on the financial position, results of operations and cash flows of the Company.

U.S. and foreign governments continue to review, reform and modify tax laws, including with respect to the Organisation for Economic Co-operation and Development’s base erosion and profit shifting initiative. Changes in tax laws and regulations could result in material changes to the domestic and foreign taxes that the Company is required to provide for and pay.

In addition, the Company is subject to regular audits with respect to its various tax returns and processes in the jurisdictions in which it operates. Errors or omissions in tax returns, process failures or differences in interpretation of tax laws by tax authorities and the Company may lead to litigation, payments of additional taxes, penalties and interest.

Contract research services in the drug development industry create liability risks.

In contracting to work on drug development trials and studies, DD faces a range of potential liabilities, including:

- Errors or omissions that create harm to clinical trial subjects during a trial or to consumers of a drug after the trial is completed and regulatory approval of the drug has been granted;
- General risks associated with clinical pharmacology facilities, including negative consequences from the administration of drugs to clinical trial participants or the professional malpractice of clinical pharmacology physicians;
- Risks that animals in DD’s facilities may be infected with diseases that may be harmful and even lethal to themselves and humans despite preventive measures contained in DD's business policies, including those for the quarantine and handling of imported animals; and
- Errors and omissions during a trial or study that may undermine the usefulness of a trial or study, or data from the trial or study or that may delay the entry of a drug to the market.

DD contracts with physicians, also referred to as investigators, to conduct the clinical trials to test new drugs on clinical trial subjects. These tests can create a risk of liability for personal injury or death to clinical trial subjects resulting from negative reactions to the drugs administered or from professional malpractice by third party investigators.

While DD endeavors to include in its contracts provisions entitling it to be indemnified and entitling it to a limitation of liability, these provisions are not always successfully obtained and, even if obtained, do not uniformly protect DD against liability arising from certain of its own actions. DD could be materially and adversely affected if it were required to pay damages or bear the costs of defending any claim that is not covered by a contractual indemnification provision, or in the event that a party which must indemnify it does not fulfill its indemnification obligations, or in the event that DD is not successful in limiting its liability or in the event that the damages and costs exceed DD's insurance coverage. DD may also be required to agree to contract provisions with clinical trial sites or its customers related to the conduct of clinical trials, and DD could be materially and adversely affected if it were required to indemnify a site or customer against claims pursuant to such contract terms. There can be no assurance that DD will be able to maintain sufficient insurance coverage on acceptable terms.

Risks Related to the COVID-19 Pandemic

The effects of the outbreak of the COVID-19 pandemic could have material adverse impacts on the Company’s business, results of operations, cash flows, and financial position.

The Company is closely monitoring the impact of the COVID-19 pandemic on all aspects of its business. Fluctuations in the number of COVID-19 cases typically result in corresponding fluctuations in the Company's COVID-19 PCR and antibody testing (COVID-19 Testing) volumes and its Base Business (operations except for COVID-19 Testing), and may have a negative effect on the Company's business and financial performance. Given the continued unpredictability pertaining to the COVID-19 pandemic, the impact on the Company's business continues to be uncertain and depends on a number of evolving factors that the Company may not be able to predict or effectively respond to.

A resurgence of COVID-19, including the rise of variants, and the Company's initiatives to help limit the spread of the illness, could impact the Company's ability to carry out its business as usual, which could materially adversely impact its business and financial condition. The Company has incurred additional costs in order to provide for the safety of its employees and patients and the continuity of its operations.

Adverse changes in government and third-party payer regulations, reimbursement, or coverage policies (or in the interpretation of current regulations) relating to COVID-19 testing could materially impact the Company's results of operations, cash flows and financial position.

The Company incurred additional costs to implement operational changes in response to this pandemic. The COVID-19 pandemic disrupted, and along with other economic factors, a resurgence in COVID-19 could continue to disrupt, the Company's supply chain, including its ability to secure test collection and testing supplies and equipment and personal protective equipment for its employees. For similar reasons, the COVID-19 pandemic has also adversely impacted, and may continue to adversely impact, third parties that are critical to the Company's business, including vendors, suppliers, and business partners. These developments, and others that are difficult or impossible to predict, could materially impact the Company's business, financial results, cash flows, and financial position.

If there is a resurgence of the pandemic, the Company may be forced to prioritize its application of resources to the continued mitigation of COVID-19, at the expense of other potentially profitable opportunities or initiatives, such as the development of new products or selected business acquisitions.

If the Company does not respond appropriately to the ongoing COVID-19 pandemic, or if the Company's customers do not perceive its response to be adequate, the Company could suffer damage to its reputation, which could adversely affect its business.

Despite the Company's efforts to respond to and mitigate the impact of COVID-19 on its business and operations since the global pandemic was declared on March 11, 2020, the failure of the Company to appropriately and adequately respond as the effects of the pandemic continue may cause the Company's customers and other stakeholders to perceive the Company's responses to the pandemic as insufficient, inadequate, or not equivalent to or better than competitors, including with respect to the availability of testing, collection kits, and the amount of time it takes for delivery of test results or fulfillment of kit orders. Factors that may be out of the Company's control, such as the availability of equipment, supplies, and key personnel and geographical changes in demand, may impact the Company's ability to meet customer demand and may have an adverse effect on the Company's operations. Any such disruptions could result in negative publicity, and the Company could suffer damage to its reputation, which could adversely affect its business, results of operations, cash flows, and financial position.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 2. PROPERTIES

The Company's corporate headquarters are located in Burlington, North Carolina, and include facilities that are both owned and leased.

Labcorp Diagnostics (Dx) operates through a network of patient service centers, branches, rapid response laboratories, primary laboratories, and specialty laboratories. The table below summarizes certain information as to Dx's principal operating and administrative facilities as of December 31, 2022.

Location	Nature of Occupancy
Primary Facilities:	
Birmingham, Alabama	Leased
Phoenix, Arizona	Owned
Los Angeles, California	Leased
Monrovia, California	Leased
San Diego, California	Leased
San Francisco, California	Leased
Shelton, Connecticut	Leased
Tampa, Florida	Leased
South Bend, Indiana	Leased
Wichita, Kansas	Leased
Westborough, Massachusetts	Leased
Troy, Michigan	Leased
St. Paul, Minnesota	Owned
Raritan, New Jersey	Owned
Burlington, North Carolina (5)	Owned/Leased
Research Triangle Park, North Carolina (3)	Leased
Dublin, Ohio	Owned
Tulsa, Oklahoma	Leased
Brentwood, Tennessee	Leased
Dallas, Texas	Leased
Houston, Texas	Leased
Herndon, Virginia	Leased
Seattle, Washington	Leased
Spokane, Washington (2)	Leased
Oak Creek, Wisconsin	Leased

Labcorp Drug Development (DD) operates on a global scale. The table below summarizes certain information as to DD's principal operating and administrative facilities as of December 31, 2022.

Location	Nature of Occupancy
Primary Facilities:	
Mechelen, Belgium	Leased
Beijing, China	Leased
Shanghai, China (2)	Owned/Leased
Muenster, Germany	Owned
Pune, India	Leased
Bangalore, India	Leased
Singapore	Leased
Geneva, Switzerland	Owned
Eye, United Kingdom	Owned
Harrogate, United Kingdom	Owned
Huntingdon, United Kingdom	Owned
Leeds, United Kingdom	Owned
Maidenhead, United Kingdom	Leased
Shardlow, United Kingdom	Owned
York, United Kingdom	Leased
San Francisco, California	Leased
Daytona Beach, Florida	Leased
Greenfield, Indiana	Owned
Indianapolis, Indiana	Leased
Bedford, Massachusetts	Owned
Ann Arbor, Michigan	Leased
Minneapolis, Minnesota	Leased
Princeton, New Jersey	Leased
Somerset, New Jersey	Owned
Dallas, Texas	Leased
Chantilly, Virginia	Leased
Madison, Wisconsin	Owned

All of the Company’s primary laboratory and drug development facilities have been built or improved for the purpose of providing commercial laboratory testing or drug development services. The Company believes that these existing facilities and plans for expansion are suitable and adequate and will provide sufficient production capacity for the Company's currently foreseeable level of operations. The Company believes that if it were unable to renew a lease or if a lease were to be terminated on any of the facilities it presently leases, it could find alternate space at competitive market rates and readily relocate its operations to such new locations without material disruption to its operations.

Item 3. LEGAL PROCEEDINGS

See Note 14 Commitments and Contingencies to the Consolidated Financial Statements.

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

The Company's common stock, par value $0.10 per share, or Common Stock, trades on the New York Stock Exchange or NYSE under the symbol “LH.”

Holders

On February 27, 2023, there were approximately 1,249 holders of record of the Common Stock.

Transfer Agent

The transfer agent for the Company's Common Stock is American Stock Transfer & Trust Company, Shareholder Services, 6201 Fifteenth Avenue, Brooklyn, NY 11219, telephone: 800-937-5449, website: www.amstock.com.

Dividends

The Company initiated a quarterly dividend beginning in the second quarter of 2022. The Company’s ability to pay dividends is primarily dependent on earnings from operations, the adequacy of capital and the availability of liquid assets for distribution.

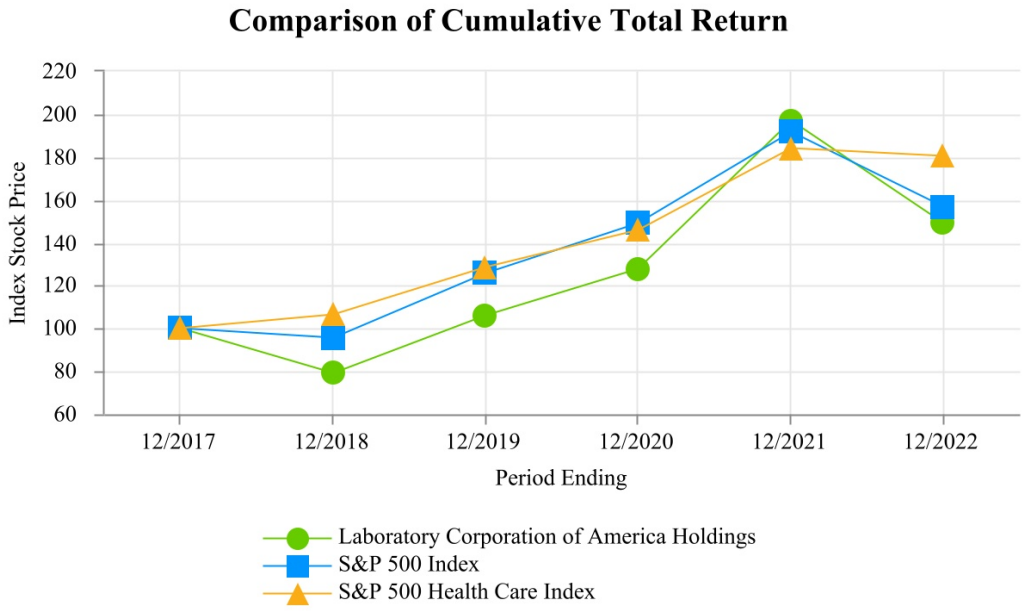
For the year ended December 31, 2022, the Company paid $195.2 in common stock dividends. The Company expects common dividend declarations, if made, to occur in January, April, July, and October with payment dates in March, June, September and December, and are subject to Board approval. There can be no assurance that the Company will continue to pay quarterly cash dividends at the current rate or at all.

Common Stock Performance

The graph below shows the cumulative total return assuming an investment of $100 on December 31, 2017, in each of the Company’s Common Stock, the Standard & Poor’s, or S&P Composite-500 Stock Index and the S&P 500 Health Care Index, or Peer Group, and assuming that all dividends were reinvested.

Comparison of Cumulative Total Return

	12/2017	12/2018	12/2019	12/2020	12/2021	12/2022
Laboratory Corporation of America Holdings	$ 100.00	$ 79.22	$ 106.06	$ 127.61	$ 196.98	$ 148.91
S&P 500 Index	$ 100.00	$ 95.62	$ 125.72	$ 148.85	$ 191.58	$ 156.88
S&P 500 Health Care Index	$ 100.00	$ 106.47	$ 128.64	$ 145.93	$ 184.07	$ 180.47



Issuer Purchases of Equity Securities (all amounts in millions, except per share amounts)

The following table sets forth information with respect to purchases of shares of the Company's common stock made during the quarter ended December 31, 2022, by or on behalf of the Company:

	Total Number of Shares Repurchased	Average Price Paid Per Share	Total Number of Shares Repurchased as Part of Publicly Announced Program	Maximum Dollar Value of Shares that May Yet Be Repurchased Under the Program
October 1 - October 31	0.9	$ 211.91	0.9	$ 635.5
November 1 - November 30	0.5	225.65	0.5	531.5
December 1 - December 31	—	—	—	—
	1.4	$ 216.48	1.4	$ 531.5

During the fourth quarter of 2021, the Board adopted a new share repurchase plan authorizing repurchase of up to $2,500.0 of the Company's shares in addition to the remaining amount outstanding under the previous plan. On December 13, 2021, the Company entered into ASR Agreements with Goldman Sachs & Co. LLC and Barclays Bank PLC to repurchase the Company's common stock (Common Stock), as part of the Company's common stock repurchase program. Under the ASR Agreements, $1,000.0 was paid to the banks in December 2021 and the Company received 80% of the shares calculated at the price at the inception of the Agreements, approximately 2.7 shares. When the forward contract was settled during 2022, the Company received 0.9 shares, which were retired in 2022. At the end of 2021, the Company had outstanding authorization from the Board to purchase $1,631.5 of Company common stock.

During the year ended December 31, 2022, the Company purchased 4.7 shares of its common stock at an average price of $233.48 for a total cost of $1,100.0. When the Company repurchases shares, the amount paid to repurchase the shares in excess of the par or stated value is allocated to additional paid-in-capital unless subject to limitation or the balance in additional paid-in-capital is exhausted. Remaining amounts are recognized as a reduction in retained earnings. At the end of 2022, the Company had outstanding authorization from the Board to purchase up to $531.5 of the Company's common stock. The repurchase authorization has no expiration date.

On February 7, 2023, the board of directors adopted a new share repurchase plan authorizing up to $1,000.0 of the Company's shares in addition to the remaining amount outstanding under the previous plan. The repurchase authorization has no expiration.

Item 6. SELECTED FINANCIAL DATA

Not applicable.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (in millions)

General

During the year ended December 31, 2022, the Company's revenues were $14.9 billion, a decrease of 7.7% from $16.1 billion in 2021. The decrease was due to lower organic revenue of 7.5% and foreign currency translation of 1.0%, partially offset by acquisitions net of divestitures of 0.8%. The 7.5% decrease in organic revenue was due to a 10.0% decrease in COVID-19 Testing, partially offset by a 2.5% increase in the Company's organic Base Business.

The Company defines organic growth as the increase in revenue excluding the year over year impact of acquisitions, divestitures, and currency. Acquisition and divestiture impact is considered for a twelve-month period following the close of each transaction. Base Business includes the Company's business operations except for COVID-19 Testing.

Strategic Review of Company Structure and Capital Allocation Strategy

In March 2021, the Company announced the undertaking of a comprehensive review by its board of directors (the Board) and management team of the Company's structure and capital allocation strategy. In December 2021, the Company announced the Board's conclusion, as well as actions that the management team and the Board would take to enhance shareholder returns. These actions have included:

- initiating a dividend in the second quarter of 2022, as well as subsequent dividends paid in the third and fourth quarters of 2022, with total dividend payments for 2022 in the amount of $195.2 million;
- authorizing a $2.50 billion share repurchase program. As part of this program, $1.0 billion was repurchased under an accelerated share repurchase plan in 2021, and a total of $1.1 billion of stock was repurchased in 2022, representing approximately 4.7 million shares;
- implementing a new LaunchPad business process improvement initiative, targeting savings of $350.0 million through 2025;

- providing a longer-term outlook in connection with the announcement of the Company's 2021 year-end results in addition to the Company's annual guidance;
- providing additional business insights through enhanced disclosures beginning with the Company's results for the first quarter of 2022; and
- continuing a commitment to profitable growth through investments in science, innovation, and new technologies; and

On July 28, 2022, the Company announced that it would pursue a planned spin-off of its Clinical Development and Commercialization Services (CDCS) business, as further discussed below.

Management and the Board are committed to continuing to evaluate all avenues for enhancing shareholder value.

The updated capital allocation plan is designed to enable the Company to continue investment in key growth areas. This plan is expected to fuel growth through innovation by using the Company's unique data and insights to bring scientific advancements—both those developed internally and those developed by outside companies and scientists—to market at scale. It reflects the Board's confidence in the Company's strong balance sheet and cash flow generation profile, as well as the Board's commitment to deploying capital to enhance value for shareholders, patients, providers, and pharmaceutical customers worldwide.

Spin-Off of the Company's CDCS Business

On July 28, 2022, the Company announced that the Board authorized the Company to pursue a spin-off of the Company’s wholly owned CDCS business to its shareholders through a tax-free transaction. The planned spin-off will result in two independent companies, each poised for strong, sustainable growth. On January 9, 2023, Thomas (Tom) Pike joined the Company as president and chief executive officer of its DD Clinical Development business unit, and when the planned spin-off is complete, Mr. Pike will become the chief executive officer and chairman of the board of directors of the independent, publicly listed company. On February 9, 2023, the Company announced that the name of the CDCS business will become Fortrea in connection with the planned spin-off.

The Company is targeting completion of the planned spin-off in mid-2023. The planned spin-off will be subject to the satisfaction of certain customary conditions, including, among others, the receipt of final approval by the Company's Board, the receipt of appropriate assurances regarding the tax-free nature of the separation and effectiveness of any required filings with the U.S. Securities and Exchange Commission (SEC). There can be no assurances regarding the ultimate timing of the transaction or that the spin-off will be completed.

When the transaction is complete, the resulting companies will be Labcorp, comprising the Company’s routine and esoteric labs, central labs and early development research labs, and Fortrea, a global contract research organization (CRO) providing Phase I-IV clinical trial management, market access and technology solutions to pharmaceutical and biotechnology organizations.

The planned spin-off is expected to provide each company with:
- strengthened strategic flexibility and operational focus to pursue specific market opportunities and better meet customer needs;
- focused capital structures and capital allocation strategies to drive innovation and growth;
- a more targeted investment opportunity for different investor bases; and
- the ability to align its particular incentive compensation with its financial performance.

Following the planned spin-off, the Company believes that Labcorp will be positioned to:
- invest in R&D and innovation to develop and launch diagnostic advancements globally in key clinical areas including oncology, Alzheimer's, and autoimmune and liver disease through organic and inorganic opportunities;
- bring together its global health and patient data and provide insights to enable customers to innovate;
- utilize its worldwide laboratory network to serve a broad, growing and global customer base including pharmaceutical and biotechnology companies, physicians, health systems, consumers, and other start-ups and laboratories that require lab services or diagnostic testing; and
- launch innovative tests globally, providing patients, physicians, health systems and pharmaceutical companies with access to its advanced science, technology and diagnostic capabilities.

Following the planned spin-off, the Company believes that Fortrea will be positioned to:
- capitalize on growth opportunities across Phases I-IV clinical trials and extend its leadership in oncology, cell and gene therapy, rare disease, and other emerging therapeutic areas;
- increase agility with large pharmaceutical and biotechnology clients to better serve customers and advance life-saving therapies;
- access to unique data sets and insights through an arrangement with the Company for a defined period of time which will enable Fortrea to provide enhanced trial execution and a differentiated value proposition;

- invest in capabilities, technologies, diverse talent and innovation to enhance trial execution and better serve all of its customers; and
- implement a capital structure that is tailored to support its growth strategy and enhance stakeholder value.

The planned spin-off is intended to qualify as a tax-free transaction for U.S. federal income tax purposes. See “Risk Factors - Risks Related to the Planned Spin-off of the Company’s Clinical Development and Commercialization Services Business.”

Unless otherwise indicated, the disclosure in this Annual Report assumes that Clinical Development and Commercialization Services business will be with the Company for the full year.

COVID-19 Outlook

While the Company anticipates that COVID-19 will continue impacting its business in 2023 and potentially beyond, the Company expects a continued decline in demand for COVID-19 Testing, with the potential for increases in demand at different times and across different geographies. As a result, COVID-19 Testing demand in 2023 is not predicted to match 2022 levels.

Results of Operations

The following tables present the financial measures that management considers to be the most significant indicators of the Company's performance. For discussion of 2021 results and comparison with 2020 results refer to “Management's Discussion and Analysis of Financial Conditions and Results of Operations” in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

Years ended December 31, 2022 and 2021

Revenues

	Years Ended December 31,		
	2022	2021	Change
Dx	$ 9,203.5	$ 10,363.6	(11.2)%
DD	5,710.2	5,845.5	(2.3)%
Intercompany eliminations	(36.9)	(88.2)	58.2 %
Total	$ 14,876.8	$ 16,120.9	(7.7)%

The 7.7% decrease in revenues for the year ended December 31, 2022, as compared to the corresponding period in 2021 was due to lower organic revenue of 7.5% and unfavorable foreign currency translation of 1.0%, partially offset by acquisitions net of divestitures of 0.8%. The 7.5% decrease in organic revenue was due to a 10.0% decrease in COVID-19 Testing, partially offset by a 2.5% increase in the Company's organic Base Business.

Dx revenues for the year ended December 31, 2022, were $9,203.5, a decrease of 11.2% compared to revenues of $10,363.6 in the corresponding period in 2021. The decrease was primarily due to lower organic revenue of 12.1% and unfavorable foreign currency translation of 0.1%, partially offset by acquisitions of 1.1%. The 12.1% decrease in organic revenue was due to a 15.6% decrease in COVID-19 Testing, partially offset by a 3.4% contribution from organic Base Business.

Total volume, measured by requisitions, decreased by 7.5% as organic volume decreased by 8.4% and acquisition volume contributed growth of 0.8%. Organic volume was impacted by a 10.4% decrease in COVID-19 Testing, partially offset by a 2.0% increase in Base Business. Price/mix decreased by 3.7% due to lower COVID-19 Testing of 5.2% and unfavorable foreign currency translation of 0.1%, partially offset by higher Base Business of 1.4% and acquisitions of 0.2%.

DD revenues for the year ended December 31, 2022, were $5,710.2, a decrease of 2.3% over revenues of $5,845.5 in the corresponding period in 2021. The decrease in revenues was primarily due to unfavorable foreign currency translation of 2.6% and lower COVID-19 Testing of 0.6%, partially offset by organic base business growth of 0.5%, and acquisitions net of divestitures of 0.3%.

Cost of Revenues

	Years Ended December 31,		
	2022	2021	Change
Cost of revenues	$ 10,491.7	$ 10,496.6	— %
Cost of revenues as a % of revenues	70.5 %	65.1 %	

Cost of revenues were flat in 2022 as compared with 2021 and increased as a percentage of revenues to 70.5% in 2022 as compared to 65.1% in 2021. This increase in cost of revenues as a percentage of revenues was primarily due to a reduction in

higher margin COVID-19 Testing, higher personnel expenses, and other inflationary costs, partially offset by organic Base Business growth and LaunchPad savings.

Selling, General and Administrative Expenses

	Years Ended December 31,		
	2022	2021	Change
Selling, general and administrative expenses	$ 1,996.6	$ 1,952.1	2.3 %
SG&A as a % of revenues	13.4 %	12.1 %	

Selling, general and administrative expenses as a percentage of revenues increased to 13.4% in 2022 compared to 12.1% in 2021. The increase in selling, general and administrative expenses as a percentage of revenues is primarily due to a decrease in higher margin COVID-19 Testing and higher personnel costs, partially offset by LaunchPad savings.

Goodwill and Other Asset Impairments

	Years Ended December 31,		
	2022	2021	Change
Goodwill and other asset impairments	$ 271.5	$ —	100.0%

The 2022 impairment charges were primarily comprised of $260.0 of goodwill impairment for the early development reporting unit, which is part of the DD segment, and the impairment of a technology intangible asset. There were no goodwill and other asset impairments for the year ended December 31, 2021.

Amortization of Intangibles and Other Assets

	Years Ended December 31,		
	2022	2021	Change
Amortization of intangibles and other assets	$ 259.3	$ 369.6	(29.8)%

The decrease in amortization of intangibles and other assets for the year ended December 31, 2022 is primarily due to $88.4 in amortization acceleration of certain intangible assets related to trade names as a result of the Company's rebranding initiative recognized during 2021, partially offset by the impact of acquisitions.

Restructuring and Other Charges

	Years Ended December 31,		
	2022	2021	Change
Restructuring and other charges	$ 83.8	$ 43.1	94.5 %

During 2022, the Company recorded net restructuring charges of $83.8. The charges were comprised of $39.3 in severance and other personnel costs, $45.7 in facility-related costs primarily associated with general integration activities. The charges were offset by the reversal of previously established liability of $0.3 in unused severance and $0.9 in unused facility-related costs.

During 2021, the Company recorded net restructuring charges of $43.1. The charges were comprised of $16.3 in severance and other personnel costs and $28.0 in facility closures, lease terminations, and general integration activities. The charges were offset by the reversal of previously established liability of $0.4 and $0.8 in unused severance costs and facility-related costs, respectively.

Interest Expense

	Years Ended December 31,		
	2022	2021	Change
Interest expense	$ 180.3	$ 212.1	(15.0)%

The decrease in interest expense for 2022 as compared with the corresponding period in 2021 is primarily due to the costs of redeeming the outstanding 3.20% senior notes due February 1, 2022 and the 3.75% notes due August 23, 2022 and issuing the new senior notes in 2021 and lower outstanding debt partially offset by a higher average cost of debt in 2022.

Equity Method Income, Net

	Years Ended December 31,		
	2022	2021	Change
Equity method income, net	$ 5.4	$ 26.5	(79.7)%

Equity method income, net represents the Company's ownership share in joint venture partnerships along with equity investments in other companies in the health care industry. The decrease in income for 2022 as compared with the corresponding period in 2021 was primarily due to the decreased profitability of the Company's joint ventures in 2022.

Other, Net

	Years Ended December 31,		
	2022	2021	Change
Other, net	$ (25.3)	$ 42.5	159.8 %

The change in Other, net for the year ended December 31, 2022, as compared to the year ended December 31, 2021, was primarily due to investment losses of $19.6 compared to $61.8 of investment gains in the corresponding period of 2021. In addition, foreign currency transaction losses of $5.0 and $4.4 were recognized for the years ended December 31, 2022 and 2021, respectively.

Income Tax Expense

	Years Ended December 31,	
	2022	2021
Income tax expense	$ 302.0	$ 747.1
Income tax expense as a % of income before tax	19.1 %	23.9 %

The current year effective tax rate was favorably impacted by the Company's research and development tax credits, changes in effective state income tax rates, and deferred tax adjustments. During the third quarter, the Company completed a detailed domestic research and development tax credit analysis for the 2019, 2020, and 2021 tax years that resulted in an incremental income tax benefit. The prior year effective tax rate was favorably impacted by stock-based compensation arrangements that was offset by the deferred revaluation related to the U.K. rate change.

Operating Results by Segment

During the fourth quarter of 2022, the Company modified the segment performance measure to exclude the amortization of intangibles and other assets, restructuring and other charges, goodwill and other asset impairments, and certain corporate charges for items such as transaction costs, COVID-19 costs, and other special items. These changes align with how the CODM now evaluates segment performance and allocates resources. Prior periods have been conformed for comparability.

	Years Ended December 31,		
	2022	2021	Change
Dx segment operating income	$ 2,025.5	$ 3,205.6	(36.8)%
Dx segment operating margin	22.0 %	30.9 %	(8.9)%
DD segment operating income	801.1	887.1	(9.7)%
DD segment operating margin	14.0 %	15.2 %	(1.1)%
Segment operating income	2,826.6	4,092.7	(30.9)%
General corporate and unallocated expenses	(438.1)	(420.5)	4.2 %
Amortization of intangibles and other assets	(259.3)	(369.6)	(29.8)%
Restructuring and other charges	(83.8)	(43.1)	94.4 %
Goodwill and other asset impairments	(271.5)	—	100.0 %
Total operating income	$ 1,773.9	$ 3,259.5	(45.6)%

Dx operating income was $2,025.5 for the year ended December 31, 2022, a decrease of 36.8% over operating income of $3,205.6 in the corresponding period of 2021, and Dx operating margin decreased 890 basis points in operating margin year-over-year. The decrease in operating income and margin were primarily due to a reduction in COVID-19 Testing, higher personnel expense, the mix impact from Ascension, partially offset by organic Base Business growth.

DD operating income was $801.1 for the year ended December 31, 2022, a decrease of 9.7% from operating income of $887.1 in the corresponding period of 2021. The decrease was primarily due to a reduction in COVID-19 Testing, a reduction in COVID-19 related work, the interruption of some clinical trial activity due to the Ukraine/Russia crisis, and other inflationary costs. These impacts were partially offset by Base Business growth and LaunchPad savings.

General corporate expenses are comprised primarily of administrative services such as executive management, human resources, legal, finance, corporate affairs, and information technology. Corporate expenses were $438.1 for the year ended December 31, 2022, an increase of 4.2% over corporate expenses of $420.5 in the corresponding period of 2021, primarily due to higher personnel costs, bonus allocation, research and development costs, and other costs.

Liquidity, Capital Resources and Financial Position

The Company's strong cash-generating capability and financial condition typically have provided ready access to capital markets. The Company's principal source of liquidity is operating cash flow, supplemented by proceeds from debt offerings. The Company's senior unsecured revolving credit facility is further discussed in Note 10 Debt to the Company's Consolidated Financial Statements.

In summary the Company's cash flows were as follows:

	For the Year Ended December 31,	
	2022	2021
Net cash provided by operating activities	$ 1,955.9	$ 3,109.6
Net cash used for investing activities	(1,652.2)	(884.6)
Net cash used for financing activities	(1,322.2)	(2,065.8)
Effect of exchange rate on changes in cash and cash equivalents	(24.2)	(7.3)
Net change in cash and cash equivalents	$ (1,042.7)	$ 151.9

Cash and Cash Equivalents

Cash and cash equivalents at December 31, 2022 and 2021 totaled $430.0 and $1,472.7, respectively. Cash and cash equivalents consist of highly liquid instruments, such as time deposits and other money market investments, which have original maturities of three months or less.

Cash Flows from Operating Activities

During the year ended December 31, 2022, the Company's operations provided $1,955.9 of cash as compared to $3,109.6 in 2021. The $1,153.7 decrease in cash provided from operations in 2022 as compared with the corresponding 2021 period was primarily due to lower cash earnings as COVID-19 revenues decreased significantly.

Cash Flows from Investing Activities

Net cash used by investing activities for the year ended December 31, 2022 was $1,652.2 as compared to net cash used by investing activities of $884.6 for the year ended December 31, 2021. The $767.6 increase in net cash used by investing activities for the year ended December 31, 2022, was primarily due to a year over year increase of $667.1 in cash paid for acquisitions. The Company had proceeds of $87.3 from the sale of assets and disposition of businesses during 2021 in comparison to $1.4 during 2022. Capital expenditures were $481.9 and $460.4 for the years ended December 31, 2022 and 2021, respectively. Capital expenditures in 2022 were 3.2% of revenues, primarily in connection with projects to support growth in the Company's core businesses. The Company intends to continue to pursue acquisitions to drive growth, to make important investments in its business, including in information technology, and to improve efficiency and enable the execution of the Company's mission. Such expenditures are expected to be funded by cash flow from operations or, as needed, through borrowings under debt facilities, including the Company's revolving credit facility or any successor facility. The Company expects capital expenditures in 2023 to be approximately 3.5% of revenues, primarily in connection with projects to support growth in the Company's core businesses, facility updates, projects related to LaunchPad, and further acquisition integration initiatives.

Cash Flows from Financing Activities

Net cash used in financing activities for the year ended December 31, 2022 was $1,322.2 compared to cash used in financing activities of $2,065.8 for the year ended December 31, 2021. This movement in cash within financing activities for 2022, as compared to 2021, was primarily a result of $1,100.0 in share repurchases in 2022 compared to $1,668.5 in 2021 and the commencement of quarterly dividend payments in the second quarter of 2022.

On May 26, 2021, the Company issued new senior notes representing $1,000.0 in debt securities and consisting of $500.0 aggregate principal amount of 1.55% senior notes due 2026 and $500.0 aggregate principal amount of 2.70% senior notes due 2031. Interest on these notes is payable semi-annually in arrears on June 1 and December 1 of each year, commencing on

December 1, 2021. Net proceeds from the offering of these notes were $989.4 after deducting underwriting discounts and other expenses of the offering. The net proceeds were used to redeem, prior to maturity, the Company's outstanding 3.20% senior notes due February 1, 2022 and 3.75% senior notes due August 23, 2022.

During the second quarter of 2021, the Company entered into fixed-to-variable interest rate swap agreements for its 2.70% senior notes due 2031 with an aggregate notional amount of $500.0 and variable interest rates based on three-month LIBOR plus 1.0706%. These instruments are designated as hedges against changes in the fair value of a portion of the Company's long-term debt. The aggregate fair value of $79.7 at December 31, 2022, was included as a component of other long-term liabilities and deducted from the reported value of the senior notes.

On April 30, 2021, the Company amended and restated its revolving credit facility. It consists of a five-year revolving facility in the principal amount of up to $1,000.0, with the option of increasing the facility by up to an additional $500.0, subject to the agreement of one or more new or existing lenders to provide such additional amounts and certain other customary conditions. The Company is required to pay a facility fee on the aggregate commitments under the revolving credit facility, at a per annum rate ranging from 0.100% to 0.225%, depending on the Company’s debt ratings. Borrowings under the revolving credit facility will accrue interest at a per annum rate equal to, at the Company’s election, either (x) a LIBOR rate plus a margin ranging from 0.775% to 1.275% or (y) a base rate plus a margin ranging from 0% to 0.275%, in each case, depending on the Company’s debt ratings.

The Company continues to evaluate its outstanding debt portfolio to take advantage of market conditions that would allow the Company to reduce its interest rate or financing risk and provide a lower long-term borrowing cost.

Under the Company's revolving credit facility, the Company is subject to negative covenants limiting subsidiary indebtedness and certain other covenants typical for investment grade-rated borrowers and the Company is required to maintain certain leverage ratios. The Company was in compliance with all covenants under the revolving credit facility at December 31, 2022, and expects that it will remain in compliance with its existing debt covenants for the next twelve months.

During 2022, the Company repurchased 5.6 shares of its common stock at an average price of $233.48 for a total cost of $1,100.0. This included 0.9 shares which were repurchased in 2022 but were part of the $1,000.0 ASR Program paid for in 2021. At the end of 2022, the Company had outstanding authorization from the Board to purchase $531.5 of Company common stock. The repurchase authorization has no expiration date. On February 7, 2023, the board of directors adopted a new share repurchase plan authorizing up to $1,000.0 of the Company's shares in addition to the remaining amount outstanding under the previous plan. The repurchase authorization has no expiration date.

For the year ended December 31, 2022, the Company paid $195.2 in common stock dividends. On January 12, 2023, the Company announced a cash dividend of $0.72 per share of common stock for the first quarter, or approximately $64.8 in the aggregate. The dividend will be payable on March 13, 2023, to stockholders of record of all issued and outstanding shares of common stock as of the close of business on February 23, 2023. The declaration and payment of any future dividends will be at the discretion of the Company's board of directors.

Credit Ratings

The Company’s investment grade debt ratings from Moody’s and Standard & Poor's (S&P) contribute to its ability to access capital markets.

Off-Balance Sheet Arrangements

The Company does not have transactions or relationships with “special purpose” entities, and the Company does not have any off-balance sheet financing other than normal operating leases and letters of credit.

Other Commercial Commitments

As of December 31, 2022, the Company provided letters of credit aggregating approximately $84.5, primarily in connection with certain insurance programs which are renewed annually.

The contractual value of the noncontrolling interest put in the Company's Ontario subsidiary totaled $15.0 and $16.3 at December 31, 2022, and 2021, respectively, and has been classified as mezzanine equity in the Company's consolidated balance sheet.

Based on current and projected levels of cash flows from operations, coupled with availability under its revolving credit facility, the Company believes it has sufficient liquidity to meet both its anticipated short-term and long-term cash needs for the next 12 months and the reasonably foreseeable future; however, the Company continually reassesses its liquidity position in light of market conditions and other relevant factors.

Critical Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. While the Company believes these estimates are reasonable and consistent, they are by their very nature estimates of amounts that will depend on future events. Accordingly, actual results could differ from these estimates. The Company's Audit Committee periodically reviews the Company's significant accounting policies. The Company's critical accounting policies arise in conjunction with the following:

- Revenue recognition;
- Business combinations;
- Income taxes;
- Goodwill and indefinite-lived assets; and
- Legal contingencies.

Revenue Recognition

Dx

Within the Dx segment, a revenue transaction is initiated when Dx receives a requisition order to perform a diagnostic test. The information provided on the requisition form is used to determine the party that will be billed for the testing performed and the expected reimbursement. Dx recognizes revenue and satisfies its performance obligation for services rendered when the testing process is complete and the associated results are reported. Revenues are distributed among four payer portfolios - clients, patients, Medicare and Medicaid and third party. Dx considers negotiated discounts and anticipated adjustments, including historical collection experience for the payer portfolio, when revenues are recorded.

The following are descriptions of the Dx payer portfolios:

Clients

Client payers represent the portion of Dx's revenue related to physicians, hospitals, health systems, accountable care organizations (ACOs), employers and other entities where payment is received exclusively from the entity ordering the testing service. Generally, client revenues are recorded on a fee-for-service basis at Dx's client list price, less any negotiated discount. A portion of client billing is for laboratory management services, collection kits and other non-testing services or products. In these cases, revenue is recognized when services are rendered or delivered.

Patients

This portfolio includes revenue from uninsured patients and member cost-share for insured patients (e.g., coinsurance, deductibles and non-covered services). Uninsured patients are billed based upon Dx's patient fee schedules, net of any discounts negotiated with physicians on behalf of their patients. Dx bills insured patients as directed by their health plan and after consideration of the fees and terms associated with an established health plan contract.

Medicare and Medicaid

This portfolio relates to fee-for-service revenue from traditional Medicare and Medicaid programs. Net revenue from these programs is based on the fee schedule established by the related government authority. In addition to contractual discounts, other adjustments including anticipated payer denials are considered when determining net revenue. Any remaining adjustments to revenue are recorded at the time of final collection and settlement. These adjustments are not material to Dx's results of operations in any period presented.

Third Party

Third party includes revenue related to MCOs. The majority of Dx's third-party revenue is reimbursed on a fee-for-service basis. These payers are billed at Dx's established list price and revenue is recorded net of contractual discounts. The majority of Dx's MCO revenues are recorded based upon contractually negotiated fee schedules with revenues for non-contracted MCOs recorded based on historical reimbursement experience.

Third-party reimbursement is also received through capitation agreements with MCOs and independent physician associations (IPAs). Under capitated agreements, revenue is recognized based on a negotiated per-member, per-month payment for an agreed upon menu of tests, or based upon the proportionate share earned by Dx from a capitation pool. When the agreed upon reimbursement is based solely on an established rate per member, revenue is not impacted by the volume of testing performed. Under a capitation pool arrangement, the aggregate value of an established rate per member is distributed based on

the volume and complexity of the procedures performed by laboratories participating in the agreement. Dx recognizes revenue monthly, based upon the established capitation rate or anticipated distribution from a capitated pool.

Dx has a formal process to estimate implicit price concessions for uncollectable accounts. The majority of Dx's collection risk is related to accounts receivable from both insured and uninsured patients who are unwilling or unable to pay. Anticipated write-offs are recorded as adjustments to revenue at an amount considered necessary to record the segment's revenue at its net realizable value. In addition to contractual discounts, other adjustments including anticipated payer denials and other external factors that could affect the collectability of its receivables are considered when determining revenue and the net receivable amount. Any remaining adjustments to revenue are recorded at the time of final collection and settlement. These adjustments are not material to Dx's results of operations in any period presented.

DD

A majority of DD’s revenues are earned under contracts that are long term in nature, ranging in duration from a few months to many years. The majority of DD's contracts contain a single performance obligation, as DD provides a significant service of integrating all promises in the contract and the promises are highly interdependent and interrelated with one another. For contracts that include multiple performance obligations, DD allocates the contract value to the goods and services based on a customer price list, if available. If a price list is not available, DD will estimate the transaction price using either market prices or an “expected cost plus margin” approach. The total contract value is estimated at the beginning of the contract, and is equal to the amount expected to be billed to the customer. Other payments and billing adjustments may also factor into the calculation of total contract value, such as the reimbursement of out-of-pocket costs and volume-based rebates. These contracts generally take the form of fixed-price or fee-for-service arrangements subject to pricing adjustments based on changes in scope.

Fixed-price contracts are typically recognized as revenue over time based on a proportional-performance basis, using either input or output methods that are specific to the service provided. In an output method, revenue is determined by dividing the actual units of output achieved by the total units of output required under the contract and multiplying that percentage by the total contract value. When using an input method, revenue is recognized by dividing the actual costs incurred by the total estimated cost expected to complete the contract, and multiplying that percentage by the total contract value. Contract costs principally include direct labor and reimbursable out-of-pocket costs. The estimate of total costs expected to complete the contract requires significant judgment and estimates are based on various assumptions of events that often span several years. These estimates are reviewed periodically and any adjustments are recognized on a cumulative catch-up basis in the period they become known.

Fee-for-service contracts are typically priced based on transaction volume or time and materials. For volume based contracts the contract value is entirely variable and revenue is recognized as the specific product or service is completed. For services billed based on time and materials, revenue is recognized using the right to invoice practical expedient.

Contracts are often modified to account for changes in contract specifications and requirements. Generally, when contract modifications create new performance obligations, the modification is considered to be a separate contract and revenue is recognized prospectively. When contract modifications change existing performance obligations, the impact on the existing transaction price and measure of progress for the performance obligation to which it relates is generally recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

Most contracts are terminable with or without cause by the customer, either immediately or upon notice. These contracts often require payment to DD of expenses to wind-down the study or project, fees earned to date and, in some cases, a termination fee or a payment to DD of some portion of the fees or profits that could have been earned by DD under the contract if it had not been terminated early. Termination fees are included in revenues when services are performed and realization is assured.

Business Combinations

The Company accounts for business combination transactions under the acquisition method of accounting and reported the results of operations of the acquired entities from its respective date of acquisition. Assets acquired were recorded at their estimated fair values as of the acquisition date. Estimated fair values were based on various valuation methodologies, including an income approach using primarily discounted cash flow techniques for the customer relationships intangible assets. The aforementioned income methods utilize management's estimates of future operating results and cash flows discounted using a weighted-average cost of capital that reflects market participant assumptions. The excess of the fair value of the consideration conveyed over the fair value of the assets acquired was recorded as goodwill. The goodwill reflects management's expectations of the ability to gain access to and penetrate the acquired entities' historical patient base and the benefits of being able to leverage operational efficiencies with favorable growth opportunities based on positive demographic trends in the market.

Income Taxes

The Company accounts for income taxes utilizing the asset and liability method. Under this 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 for tax loss 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. The Company does not recognize a tax benefit, unless the Company concludes that it is more likely than not that the benefit will be sustained on audit by the taxing authority based solely on the technical merits of the associated tax position. If the recognition threshold is met, the Company recognizes a tax benefit measured at the largest amount of the tax benefit that the Company believes is greater than 50% likely to be realized. The Company records interest and penalties in income tax expense.

Goodwill and Indefinite-Lived Assets

The Company assesses goodwill and indefinite-lived intangibles for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The annual impairment test for goodwill includes an option to perform a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying value. Reporting units are businesses with discrete financial information that is available and reviewed by management. If the Company determines that it is more likely than not that the fair value of a reporting unit is less than its carrying value, then the Company performs the quantitative goodwill impairment test. The Company may also choose to bypass the qualitative assessment for any reporting unit in its goodwill assessment and proceed directly to performing the quantitative assessment. The Company recognizes an impairment charge for the amount by which the reporting unit's carrying amount exceeds its fair value.

In the qualitative assessment, the Company considers relevant events and circumstances for each reporting unit, including (i) current year results, (ii) financial performance versus management’s annual and five-year strategic plans, (iii) changes in the reporting unit carrying value since prior year, (iv) industry and market conditions in which the reporting unit operates, (v) macroeconomic conditions, including discount rate changes, and (vi) changes in products or services offered by the reporting unit. If applicable, performance in recent years is compared to forecasts included in prior quantitative valuations. Based on the results of the qualitative assessment, if the Company concludes that it is not more likely than not that the fair value of the reporting unit is less than its carrying values of the reporting unit, then no quantitative assessment is performed.

The quantitative assessment includes the estimation of the fair value of each reporting unit as compared to the carrying value of the reporting unit. The Company estimates the fair value of a reporting unit using both income-based and market-based valuation methods. The income-based approach is based on the reporting unit's forecasted future cash flows that are discounted to the present value using the reporting unit's weighted average cost of capital. For the market-based approach, the Company utilizes a number of factors such as publicly available information regarding the market capitalization of the Company as well as operating results, business plans, market multiples, and present value techniques. Based upon the range of estimated values developed from the income and market-based methods, the Company determines the estimated fair value for the reporting unit. If the estimated fair value of the reporting unit exceeds the carrying value, the goodwill is not impaired and no further review is required.

The income-based fair value methodology requires management's assumptions and judgments regarding economic conditions in the markets in which the Company operates and conditions in the capital markets, many of which are outside of management's control. At the reporting unit level, fair value estimation requires management's assumptions and judgments regarding the effects of overall economic conditions on the specific reporting unit, along with assessment of the reporting unit's strategies and forecasts of future cash flows. Forecasts of individual reporting unit cash flows involve management's estimates and assumptions regarding:

- Annual cash flows, on a debt-free basis, arising from future revenues and profitability, changes in working capital, capital spending and income taxes for at least a five-year forecast period.
- A terminal growth rate for years beyond the forecast period. The terminal growth rate is selected based on consideration of growth rates used in the forecast period, historical performance of the reporting unit and economic conditions.
- A discount rate that reflects the risks inherent in realizing the forecasted cash flows. A discount rate considers the risk-free rate of return on long-term treasury securities, the risk premium associated with investing in equity securities of comparable companies, the beta obtained from the comparable companies and the cost of debt for investment grade issuers. In addition, the discount rate may consider any company-specific risk in achieving the prospective financial information.

Under the market-based fair value methodology, judgment is required in evaluating market multiples and recent transactions. Management believes that the assumptions used for its impairment tests are representative of those that would be used by market participants performing similar valuations of the reporting units.

Management performed its annual goodwill and intangible asset impairment testing as of the beginning of the fourth quarter of 2022. The Company elected to perform the qualitative assessment for goodwill and intangible assets for the domestic Dx reporting units and a quantitative assessment for all of the DD reporting units and the Canadian reporting unit which includes indefinite-lived assets consisting of acquired Canadian licenses. Based upon the results of the qualitative and quantitative assessments, the Company concluded that the fair values of each of its reporting units, as of October 1, 2022, were greater than the carrying values. For the early development reporting unit, which is part of the DD segment, the fair value of the business exceeded the book value by approximately 10%.

In December 2022, a significant supplier of our early development reporting unit was no longer able to provide critical testing supplies resulting in an expectation of lower near term revenue and profitability and potential higher future costs. Based on this information, management prepared a new forecast and updated its impairment testing valuations as of December 31, 2022. Based on the quantitative impairment assessment performed in the same manner as the Company's annual quantitative assessment, the Company concluded that the fair value was less than carrying value for the early development reporting unit and recorded a goodwill impairment of $260.0 in the DD segment.

Although the Company believes that the current assumptions and estimates used in its goodwill analysis are reasonable, supportable, and appropriate, continued efforts to maintain or improve the performance of these businesses could be impacted by unfavorable or unforeseen changes which could impact the existing assumptions used in the impairment analysis. Various factors could reasonably be expected to unfavorably impact existing assumptions: primarily delays in new customer bookings and the related delay in revenue from new customers, increases in customer termination activity or increases in operating costs. Accordingly, there can be no assurance that the estimates and assumptions made for the purposes of the goodwill impairment analysis will prove to be accurate predictions of future performance. It is possible that the Company's conclusions regarding impairment or recoverability of goodwill or intangible assets in any reporting unit could change in future periods. There can be no assurance that the estimates and assumptions used in the Company's goodwill and intangible asset impairment testing performed as of the beginning of the fourth quarter of 2022 or at the end of the year will prove to be accurate predictions of the future, if, for example, (i) the businesses do not perform as projected, (ii) overall economic conditions in 2022 or future years vary from current assumptions (including changes in discount rates), (iii) business conditions or strategies for a specific reporting unit change from current assumptions, including loss of major customers, (iv) investors require higher rates of return on equity investments in the marketplace or (v) enterprise values of comparable publicly traded companies, or actual sales transactions of comparable companies, were to decline, resulting in lower multiples of revenues and EBITDA.

Legal Contingencies

The Company is involved from time to time in various claims and legal actions, including arbitrations, class actions, and other litigation (including those described in more detail below), arising in the ordinary course of business. These matters include, but are not limited to, intellectual property disputes, commercial and contract disputes, professional liability claims, employee-related matters, transaction related disputes, securities and corporate law matters, and inquiries, including subpoenas and other civil investigative demands, from governmental agencies, Medicare or Medicaid payers and MCOs reviewing billing practices or requesting comment on allegations of billing irregularities that are brought to their attention through billing audits or third parties.

The Company also is named from time to time in suits brought under the *qui tam* provisions of the False Claims Act and comparable state laws. These suits typically allege that the Company has made false statements and/or certifications in connection with claims for payment from U.S. federal or state healthcare programs. The suits may remain under seal (hence, unknown to the Company) for some time while the government decides whether to intervene on behalf of the *qui tam* plaintiff. Such claims are an inevitable part of doing business in the healthcare field today.

The Company believes that it is in compliance in all material respects with all statutes, regulations, and other requirements applicable to its commercial laboratory operations and drug development support services. The healthcare diagnostics and drug development industries are, however, subject to extensive regulation, and the courts have not interpreted many of the applicable statutes and regulations. Therefore, the applicable statutes and regulations could be interpreted or applied by a prosecutorial, regulatory, or judicial authority in a manner that would adversely affect the Company. Potential sanctions for violation of these statutes and regulations include significant civil and criminal penalties, fines, the loss of various licenses, certificates and authorizations, additional liabilities from third-party claims, and/or exclusion from participation in government programs.

The Company records an aggregate legal reserve, which is determined using calculations based on historical loss rates and assessment of trends experienced in settlements and defense costs. In accordance with FASB Accounting Standards

Codification Topic 450 “Contingencies,” the Company establishes reserves for judicial, regulatory, and arbitration matters outside the aggregate legal reserve if and when those matters present loss contingencies that are both probable and estimable and would exceed the aggregate legal reserve. If the reasonable estimate of a known or probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a loss is reasonably possible but not known or probable, and may be reasonably estimated, the estimated loss or range of loss is disclosed. For more information about legal contingencies, see Note 14 Commitments and Contingencies to the Consolidated Financial Statements.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK (in millions)

Market risk is the potential loss arising from adverse changes in market rates and prices, such as foreign currency exchange rates, interest rates and other relevant market rate or price changes. In the ordinary course of business, the Company is exposed to various market risks, including changes in foreign currency exchange and interest rates, and the Company regularly evaluates the exposure to such changes. The Company addresses its exposure to market risks, principally the market risks associated with changes in foreign currency exchange rates and interest rates, through a controlled program of risk management that includes, from time to time, the use of derivative financial instruments such as foreign currency forward contracts, cross currency swaps and interest rate swap agreements. The Company does not hold or issue derivative financial instruments for trading purposes.

Foreign Currency Exchange Rates

Approximately 14.7% and 15.3% of the Company's revenues for the year ended December 31, 2022 and 2021, respectively, were denominated in currencies other than the U.S. dollar (USD). The Company's financial statements are reported in USD and, accordingly, fluctuations in exchange rates will affect the translation of revenues and expenses denominated in foreign currencies into USD for purposes of reporting the Company's consolidated financial results. In both 2022 and 2021, the most significant currency exchange rate exposures were to the Canadian dollar, Swiss franc, euro and British pound. Excluding the impacts from any outstanding or future hedging transactions, a hypothetical change of 10% in average exchange rates used to translate all foreign currencies to USD would have impacted income before income taxes for 2022 by approximately $26.9. Gross accumulated currency translation adjustments recorded as a separate component of shareholders’ equity were $(336.4) and $(104.6) at December 31, 2022, and 2021, respectively. The Company does not have significant operations in countries in which the economy is considered to be highly inflationary.

The Company earns revenue from service contracts over a period of several months and, in some cases, over a period of several years. Accordingly, exchange rate fluctuations during this period may affect the Company's profitability with respect to such contracts. The Company is also subject to foreign currency transaction risk for fluctuations in exchange rates during the period of time between the consummation and cash settlement of transactions. The Company limits its foreign currency transaction risk through exchange rate fluctuation provisions stated in some of its contracts with customers, or it may hedge transaction risk with foreign currency forward contracts. At December 31, 2022, the Company had 27 open foreign exchange forward contracts with various amounts maturing monthly through January 2023 with a notional value totaling approximately $629.5. At December 31, 2021, the Company had 28 open foreign exchange forward contracts with various amounts maturing monthly through January 2022 with a notional value totaling approximately $600.7.

The Company is party to USD to Swiss Franc cross-currency swap agreements with a notional amount of $600.0, maturing in 2024 and 2025, as a hedge against the impact of foreign exchange movements on its net investment in its Swiss Franc functional currency subsidiary.

Interest Rates

Some of the Company's debt is subject to interest at variable rates. As a result, fluctuations in interest rates affect the Company's financial results. The Company attempts to manage interest rate risk and overall borrowing costs through an appropriate mix of fixed and variable rate debt including the utilization of derivative financial instruments, primarily interest rate swaps.

Borrowings under the Company's term loan credit facilities and revolving credit facility are subject to variable interest rates, unless fixed through interest rate swaps or other agreements.

In May, 2021, to hedge against changes in the fair value portion of the Company's long-term debt, the Company entered into fixed-to-variable interest rate swap agreements for the 2.70% senior notes due 2031 with an aggregate notional value of $500.0 and variable interest rates based on three-month LIBOR plus 1.0706%.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements of the Company required in this item are set forth beginning on page F-1 of this Annual Report on Form 10-K.

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

None.

Item 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of the end of the period covered by this Annual Report, the Company carried out under the supervision and with the participation of the Company's management, including the Company's principal executive officer and principal financial officer, an evaluation of the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended). Based upon this evaluation, the Company's principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this Annual Report.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) during the quarter ended December 31, 2022, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Report of Management on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934).

The internal control over financial reporting at the Company was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the U.S. Internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the U.S.;
- provide reasonable assurance that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2022. Management based this assessment on criteria for effective internal control over financial reporting described in "Internal Control - Integrated Framework 2013" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, the Company's management determined that, as of December 31, 2022, the Company maintained effective internal control over financial reporting. Management reviewed the results of its assessment with the Audit Committee of the Company's Board.

Deloitte and Touche LLP, an independent registered public accounting firm, who audited and reported on the consolidated financial statements of the Company included in this Annual Report, also audited the effectiveness of the Company's internal control over financial reporting as of December 31, 2022, as stated in its report, which is included herein immediately preceding the Company's audited financial statements.

Item 9B. OTHER INFORMATION

None.

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by the item regarding directors is incorporated by reference to the Company's Definitive Proxy Statement to be filed with the Securities and Exchange Commission in connection with the Annual Meeting of Stockholders to be held in 2023 (the 2023 Proxy Statement) under the caption Election of Directors. Information regarding executive officers is incorporated by reference to the Company's 2023 Proxy Statement under the caption Executive Officers. Information concerning the Company's Audit Committee, including the designation of audit committee financial experts is incorporated by reference to the Company's 2023 Proxy Statement under the captions Corporate Governance and Delinquent Section 16(a) Reports, respectively. Information concerning the Company's code of ethics is incorporated by reference to the Company's 2023 Proxy Statement under the caption Corporate Governance Policies and Procedures.

Item 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated by reference to information in the 2023 Proxy Statement under the captions "Executive Compensation" and "Director Compensation."

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

See Note 13 Stock Compensation Plans to the Consolidated Financial Statements for a discussion of the Company's Stock Compensation Plans. Except for the above referenced footnote, the information called for by this item is incorporated by reference to information in the 2023 Proxy Statement under the captions "Security Ownership of Certain Beneficial Holders and Management," "Compensation Discussion & Analysis" and "Executive Compensation."

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

The information required by this item is incorporated by reference to information in the 2023 Proxy Statement under the captions "Board Independence" and "Related Party Transactions."

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this item is incorporated by reference to information in the 2023 Proxy Statement under the caption "Fees to Independent Registered Public Accounting Firm."

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) List of documents filed as part of this Annual Report:

(1) Consolidated Financial Statements and Report of Independent Registered Public Accounting Firm included herein:

See Index on page F-1

(2) Financial Statement Schedules:

All schedules are omitted as they are inapplicable or the required information is furnished in the Consolidated Financial Statements or notes thereto.

(3) Index to and List of Exhibits

3.1	Amended and Restated Certificate of Incorporation of the Company dated May 24, 2001 (incorporated herein by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-3, filed with the Commission on October 19, 2001, File No. 333-71896).
3.2	Amended and Restated By-Laws of the Company, adopted and effective July 7, 2020 (incorporated by reference herein to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2020).
4.1	Specimen of the Company's Common Stock Certificate (incorporated herein by reference to Exhibit 4.1 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001).
4.2	Indenture, dated as of November 19, 2010, between the Company and U.S. Bank National Association, as trustee (incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on November 19, 2010).
4.3	Sixth Supplemental Indenture, dated as of November 1, 2013, between the Company and U.S. Bank National Association, as trustee, including the form of the 2023 Notes (incorporated herein by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on November 1, 2013).
4.4	Ninth Supplemental Indenture, dated as of January 30, 2015, between the Company and U.S. Bank National Association, as trustee, including the form of the 2025 Notes (incorporated herein by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K filed on January 30, 2015).
4.5	Tenth Supplemental Indenture, dated as of January 30, 2015, between the Company and U.S. Bank National Association, as trustee, including the form of the 2045 Notes (incorporated herein by reference to Exhibit 4.5 to the Company's Current Report on Form 8-K filed on January 30, 2015).
4.6	Eleventh Supplemental Indenture, dated as of August 22, 2017, between the Company and U.S. Bank National Association, as trustee, including the form of the 2024 Notes (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on August 22, 2017).
4.7	Twelfth Supplemental Indenture, dated as of August 22, 2017, between the Company and U.S. Bank National Association, as trustee, including the form of the 2027 Notes (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on August 22, 2017).
4.8	Thirteenth Supplemental Indenture, dated as of November 25, 2019, between the Company and U.S. Bank National Association, as trustee, including the form of the 2024 Notes (incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on November 25, 2019).
4.9	Fourteenth Supplemental Indenture, dated as of November 25, 2019, between the Company and U.S. Bank National Association, as trustee, including the form of the 2029 Notes (incorporated herein by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on November 25, 2019).
4.10	Fifteenth Supplemental Indenture, dated as of May 26, 2021, between the Company and U.S. Bank National Association, as trustee, including the form of the 2026 Notes (incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on May 26, 2021).
4.11	Sixteenth Supplemental Indenture, dated as of May 26, 2021, between the Company and U.S. Bank National Association, as trustee, including the form of the 2031 Notes (incorporated herein by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on May 26, 2021).
4.12	Description of the Registrant's securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 4.18 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021).
10.1+	National Health Laboratories Incorporated Pension Equalization Plan (incorporated herein by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1992).

10.2+	Laboratory Corporation of America Holdings Amended and Restated New Pension Equalization Plan (incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2004).
10.3+	First Amendment to the Laboratory Corporation of America Holdings Amended and Restated New Pension Equalization Plan (incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2004).
10.4+	Second Amendment to the Laboratory Corporation of America Holdings Amended and Restated New Pension Equalization Plan (incorporated herein by reference to Exhibit 10.4 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004).
10.5+	Third Amendment to the Laboratory Corporation of America Amended and Restated New Pension Equalization Plan (incorporated herein by reference Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2005).
10.6+	Laboratory Corporation of America Holdings Deferred Compensation Plan (incorporated herein by reference to Exhibit 10.22 the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004).
10.7+	First Amendment to the Laboratory Corporation of America Holdings Deferred Compensation Plan (incorporated herein by reference to Exhibit 10.23 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2004).
10.8+	Second Amendment to the Laboratory Corporation of America Holdings Deferred Compensation Plan (incorporated herein by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2005).
10.9+	Third Amendment to the Laboratory Corporation of America Holdings Deferred Compensation Plan (incorporated herein by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006).
10.10+	Fourth Amendment to the Laboratory Corporation of America Holdings Deferred Compensation Plan (incorporated herein by reference to Exhibit 10.34 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007).
10.11	Third Amended and Restated Credit Agreement, dated as of April 30, 2021, among the Company, Bank of America N.A., as administrative agent, and the lenders party thereto (incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on May 4, 2021).
10.12*	Amendment No. 1, dated as of January 13, 2023, to the Third Amended and Restated Credit Agreement (originally dated as of April 30, 2021), among the Company, Bank of America, N.A., as administrative agent, and lenders party thereto.
10.13+	Laboratory Corporation of America Holdings 2016 Omnibus Incentive Plan (incorporated by reference herein to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 16, 2016).
10.14+	Laboratory Corporation of America Holdings 2016 Employee Stock Purchase Plan (incorporated by reference herein to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on May 16, 2016).
10.15	Term Loan Credit Agreement, dated June 3, 2019, by and among Laboratory Corporation of America Holdings, Bank of America, N.A., as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 3, 2019).
10.16	Amendment No. 1, dated as of May 7, 2020, to the Term Loan Credit Agreement, dated June 3, 2019, among the Company, Bank of America, N.A. as administrative agent, and the lenders party thereto. (incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on May 8, 2020).
10.17+	Executive Employment Agreement, dated June 4, 2019, by and between Laboratory Corporation of America Holdings and Adam H. Schechter (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 5, 2019).
10.18*+	Executive Employment Agreement, dated January 4, 2023, by and between Laboratory Corporation of America and Thomas Pike.
10.19+	Amended and Restated Master Senior Executive Severance Plan (incorporated by reference to 10.22 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021).
16.1	Letter of PricewaterhouseCoopers LLP, dated November 5, 2020 (incorporated by reference to Exhibit 16.1 to the Company's Current Report on Form 8-K filed on November 5, 2020).
16.2	Letter of PricewaterhouseCoopers LLP, dated March 3, 2021 (incorporated by reference to Exhibit 16.1 to the Company's Current Report on Form 8-K/A filed on March 3, 2021).

21*	List of Subsidiaries of the Company
23.1*	Consent of Deloitte & Touche LLP, an independent registered public accounting firm
23.2*	Consent of PricewaterhouseCoopers LLP, an independent register public accounting firm
24.1*	Power of Attorney of Kerrii B. Anderson
24.2*	Power of Attorney of Jean-Luc Bélingard
24.3*	Power of Attorney of Jeffrey A. Davis
24.4*	Power of Attorney of D. Gary Gilliland, M.D., Ph.D.
24.5*	Power of Attorney of Kirsten M. Kliphouse
24.6*	Power of Attorney of Garheng Kong, M.D., Ph.D.
24.7*	Power of Attorney of Peter M. Neupert
24.8*	Power of Attorney of Richelle P. Parham
24.9*	Power of Attorney of Kathryn E. Wengel
24.10*	Power of Attorney of R. Sanders Williams, M.D.
31.1*	Certification by the Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a)
31.2*	Certification by the Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a)
32*	Written Statement of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)
101.INS*	Inline XBRL Instance Document - The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)

*	Filed or furnished herewith, as required
+	Management contracts or compensatory plans or arrangements

Item 16. FORM 10-K SUMMARY

None.

SIGNATURES

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

LABORATORY CORPORATION OF AMERICA HOLDINGS
Registrant

By: /s/ ADAM H. SCHECHTER
Adam H. Schechter
President and Chief Executive Officer

Dated: February 28, 2023

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report has been signed below by the following persons on behalf of the registrant on February 28, 2023 in the capacities indicated.

Signature	Title
/s/ ADAM H. SCHECHTER Adam H. Schechter	President and Chief Executive Officer (Principal Executive Officer)
/s/ GLENN A. EISENBERG Glenn A. Eisenberg	Executive Vice President, Chief Financial Officer (Principal Financial Officer)
/s/ PETER J. WILKINSON Peter J. Wilkinson	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)
* Kerrii B. Anderson	Director
* Jean-Luc Bélingard	Director
* Jeffrey A. Davis	Director
* D. Gary Gilliland, M.D., Ph.D.	Director
* Kirsten M. Kliphouse	Director
* Garheng Kong, M.D., Ph.D.	Director
* Peter M. Neupert	Director
* Richelle Parham	Director
* Kathryn E. Wengel	Director
* R. Sanders Williams, M.D.	Director

* Sandra van der Vaart, by her signing her name hereto, does hereby sign this Annual Report on behalf of the directors of the Registrant after whose typed names asterisks appear, pursuant to powers of attorney duly executed by such directors and filed with the Securities and Exchange Commission.

By: /s/ Sandra van der Vaart
Sandra van der Vaart
Attorney-in-fact

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and Board of Directors of Laboratory Corporation of America Holdings

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Laboratory Corporation of America Holdings and subsidiaries (the "Company") as of December 31, 2022 and 2021, the related consolidated statements of operations, comprehensive earnings, changes in shareholders' equity, and cash flows for each of the two years in the period ended December 31, 2022, 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 December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2022, 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 December 31, 2022, 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 February 28, 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 Matters

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

Revenue Recognition for Full-Service Clinical Trial Contracts— Refer to Note 2 to the financial statements

Critical Audit Matter Description

Within the Drug Development (DD) segment, the Company provides Phase I through Phase IV clinical development services to pharmaceutical, biotechnology, and medical device companies worldwide. A majority of the Company's revenues are earned under contracts that are long term in nature, ranging in duration from a few months to many years. The majority of the Company's contracts contain a single performance obligation, as the Company provides a significant service of integrating all promises in the contract and the promises are highly interdependent and interrelated with one another.

Fixed-price contracts are typically recognized as revenue over time based on a proportional-performance basis, using either input or output methods that are specific to the service provided. When using an input method, revenue is recognized by dividing the actual costs incurred by the total estimated contract costs expected to complete the contract and multiplying that percentage by the total contract value. Contract costs principally include direct labor and reimbursable out-of-pocket costs. The estimate of total costs expected to complete the contract requires significant judgment and estimates are based on various

assumptions of events that often span several years. These estimates are reviewed periodically, and any adjustments are recognized on a cumulative catch-up basis in the period they become known.

Given the judgments necessary to recognize revenue for fixed-price contracts that use an input method based on estimated total costs, auditing such estimates required extensive audit effort due to the complexity of these contracts and a high degree of auditor judgment when performing audit procedures and evaluating the results of those procedures.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to management's estimates of costs for purposes of revenue recognition for full-service contracts which use an input method based on estimated total contract costs and included the following, among others:

- We tested the effectiveness of controls over fixed-price contract revenue, including those over the estimates of total contract costs related to the performance obligation.
- We selected a sample of long-term contracts and performed the following:
  - Evaluated whether the contracts were properly accounted for by management based on the terms and conditions of each contract, including whether over time revenue recognition was appropriate.
  - Compared the transaction prices to the consideration expected to be received based on current rights and obligations under the contracts and any contract modifications that were agreed upon with the customers.
  - Evaluated management's identification of distinct performance obligations by assessing whether the underlying services were highly interdependent or highly interrelated.
  - Tested the accuracy and completeness of the total contract costs incurred to date for the performance obligation.
  - Evaluated the estimates of total contract cost for the performance obligation by:
    - Comparing costs incurred to date to the costs management estimated to be incurred to date.
    - Assessing management's ability to achieve the estimates of total contract cost by performing corroborating inquiries with the Company's project managers and project financial analysts and comparing the estimates to management's work plans and cost estimates.
    - Comparing management's estimates for the selected contracts to historical experience and original budgets, when applicable.
  - Tested the mathematical accuracy of management's calculation of revenue for the performance obligation.
- We evaluated management's ability to accurately estimate total contract costs and revenue by comparing actual costs to management's historical estimates for performance obligations that have been fulfilled.

Valuation of Labcorp Diagnostics Segment (Dx) Net Accounts Receivable— Refer to Note 2 to the financial statements

Critical Audit Matter Description

The Company recognizes Dx revenue and accounts receivable net of negotiated discounts and anticipated adjustments, including historical collection experience for each of its four payer portfolios (clients, patients, Medicare & Medicaid, and third party). Management has a formal process to estimate implicit price concessions for uncollectable accounts. Anticipated write-offs are recorded as adjustments to revenue at an amount considered necessary to record revenue at its net realizable value. In addition to negotiated contractual discounts, other adjustments including anticipated payer denials and other external factors that could affect the collectability of its receivables are considered when determining revenue and the net receivable amount.

Given the significant judgment and estimates necessary to determine the net realizable value of accounts receivable related to the Dx segment, auditing such estimates required extensive audit effort and a high degree of auditor judgment when performing audit procedures and evaluating the results of those procedures.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to Dx Net Accounts Receivable included the following, among others:

- We tested the effectiveness of controls over the valuation of net accounts receivable.
- We evaluated management's methodology for recording Dx net accounts receivable by performing a retrospective comparison of actual cash collected to the prior year estimate of net accounts receivable.
- We developed an independent estimate of net accounts receivable by taking into consideration historical collections, write-offs, and other relevant internal and external factors.

- We tested the completeness and accuracy of underlying historical data used as an input to management's methodology and our independent estimate.

Goodwill- Reporting Unit within the DD Segment – Refer to Notes 1 and 7 to the consolidated financial statements

Critical Audit Matter Description

The Company assesses goodwill for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The Company recognizes an impairment charge for the amount by which a reporting unit's carrying amount exceeds its fair value. Fair value of a reporting unit is estimated using both market-based valuation and income-based valuation approaches. Management's impairment assessments utilize significant judgments and assumptions related to the market multiples selected for the market-based valuation approach and the related estimates of cash flows arising from future revenues and profitability, terminal growth rates, and the discount rate used in the income-based valuation approach.

The Company performed an interim impairment assessment as of December 31, 2022, based on the loss in December 2022 of a supplier of critical testing supplies for the early development reporting unit in the Company's DD segment. Based on the results of the interim impairment assessment, the Company concluded that fair value was less than carrying value for this reporting unit and recorded a goodwill impairment charge of $260 million for the DD segment.

We identified goodwill for the early development reporting unit as a critical audit matter due to the significant estimates and assumptions by management to estimate the fair value of the reporting unit. Performing audit procedures to evaluate management's estimate of fair value of the reporting unit required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the market multiples selected by management for the market-based valuation approach and management's estimates related to the cash flows arising from future revenues and profitability, terminal growth rates, and the discount rate used in the income-based valuation approach included the following, among others:

- We tested the effectiveness of controls over management's goodwill impairment evaluation, including those over the determination of the fair value of the reporting unit, such as controls related to management's selection of market multiples, cash flows arising from future revenues and profitability, the terminal growth rate, and the discount rate.
- We evaluated the reasonableness of management's forecasts by comparing the forecasts to (1) historical forecasts and the associated actual results, (2) internal communications to management, and (3) forecasted information included in analyst and industry reports for the Company and certain of its peer companies.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the (1) valuation methodology, (2) the discount rate, and (3) market activity by:
    - Testing the source information underlying the determination of the discount rate and market multiples, including the mathematical accuracy of the calculations.
    - Developing a range of independent estimates and comparing those to the discount rate and market multiples selected by management.

/s/Deloitte & Touche LLP
Raleigh, North Carolina
February 28, 2023

We have served as the Company's auditor since 2021.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Laboratory Corporation of America Holdings

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Laboratory Corporation of America Holdings and subsidiaries (the "Company") as of December 31, 2022, 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 December 31, 2022, 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 December 31, 2022, of the Company and our report dated February 28, 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 Report of Management 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
Raleigh, North Carolina
February 28, 2023

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Laboratory Corporation of America Holdings

Opinion on the Financial Statements

We have audited the consolidated statements of operations, comprehensive earnings, changes in shareholders' equity and cash flows of Laboratory Corporation of America Holdings and its subsidiaries (the "Company") for the year ended December 31, 2020, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the results of operations and cash flows of the Company for the year ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (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 of these consolidated financial statements 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 consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated 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 consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
Raleigh, North Carolina
February 25, 2021, except for the effects of the revision discussed in Note 1 (not presented herein) to the consolidated financial statements appearing under Item 8 of the Company's 2021 annual report on Form 10-K, as to which the date is February 25, 2022, and except for the effects of the change in the segment performance measure discussed in Note 19, as to which the date is February 28, 2023

We served as the Company's auditor from 1997 to 2021.

PART I – FINANCIAL INFORMATION

Item 1. Financial Information

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Millions)

	December 31, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 430.0	$ 1,472.7
Accounts receivable, net	2,222.0	2,261.5
Unbilled services	795.4	716.8
Supplies inventory	470.6	401.4
Prepaid expenses and other	707.0	478.1
Total current assets	4,625.0	5,330.5
Property, plant and equipment, net	2,956.2	2,815.4
Goodwill, net	8,121.0	7,958.9
Intangible assets, net	3,946.9	3,735.5
Joint venture partnerships and equity method investments	65.7	60.9
Deferred income taxes	7.6	21.6
Other assets, net	432.7	462.6
Total assets	$ 20,155.1	$ 20,385.4
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 934.8	$ 621.3
Accrued expenses and other	1,068.8	1,404.1
Unearned revenue	582.1	558.5
Short-term operating lease liabilities	185.5	187.0
Short-term finance lease liabilities	6.0	10.5
Short-term borrowings and current portion of long-term debt	301.3	1.5
Total current liabilities	3,078.5	2,782.9
Long-term debt, less current portion	5,038.8	5,416.5
Operating lease liabilities	679.7	642.5
Financing lease liabilities	83.6	84.6
Deferred income taxes and other tax liabilities	736.2	762.9
Other liabilities	422.8	402.0
Total liabilities	10,039.6	10,091.4
Commitments and contingent liabilities		
Noncontrolling interest	18.9	20.6
Shareholders' equity		
Common stock, 88.2 and 93.1 shares outstanding at December 31, 2022 and 2021, respectively	8.1	8.5
Retained earnings	10,581.7	10,456.8
Accumulated other comprehensive loss	(493.2)	(191.9)
Total shareholders' equity	10,096.6	10,273.4
Total liabilities and shareholders' equity	$ 20,155.1	$ 20,385.4

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

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In Millions, Except Per Share Data)

	Years Ended December 31,		
	2022	**2021**	**2020**
Revenues	$ 14,876.8	$ 16,120.9	$ 13,978.5
Cost of revenues	10,491.7	10,496.6	9,025.7
Gross profit	4,385.1	5,624.3	4,952.8
Selling, general and administrative expenses	1,996.6	1,952.1	1,729.3
Amortization of intangibles and other assets	259.3	369.6	275.4
Goodwill and other asset impairments	271.5	—	462.1
Restructuring and other charges	83.8	43.1	40.6
Operating income	1,773.9	3,259.5	2,445.4
Other income (expense):			
Interest expense	(180.3)	(212.1)	(207.4)
Equity method income, net	5.4	26.5	2.9
Investment income	8.9	10.2	10.3
Other, net	(25.3)	42.5	(32.1)
Earnings before income taxes	1,582.6	3,126.6	2,219.1
Provision for income taxes	302.0	747.1	662.1
Net earnings	1,280.6	2,379.5	1,557.0
Less: Net earnings attributable to the noncontrolling interest	(1.5)	(2.2)	(0.9)
Net earnings attributable to Laboratory Corporation of America Holdings	$ 1,279.1	$ 2,377.3	$ 1,556.1
Basic earnings per common share	$ 14.05	$ 24.60	$ 15.99
Diluted earnings per common share	$ 13.97	$ 24.39	$ 15.88

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

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS
(In Millions, Except Per Share Data)

	Years Ended December 31,		
	2022	**2021**	**2020**
Net earnings	$ 1,280.6	$ 2,379.5	$ 1,557.0
Foreign currency translation adjustments	(336.4)	(104.6)	264.1
Net benefit plan adjustments	44.8	91.7	(65.7)
Other comprehensive earnings (loss) before tax	(291.6)	(12.9)	198.4
(Provision) benefit for income tax related to items of comprehensive earnings	(9.7)	(17.1)	12.1
Other comprehensive earnings (loss), net of tax	(301.3)	(30.0)	210.5
Comprehensive earnings	979.3	2,349.5	1,767.5
Less: Net earnings attributable to the noncontrolling interest	(1.5)	(2.2)	(0.9)
Comprehensive earnings attributable to Laboratory Corporation of America Holdings	$ 977.8	$ 2,347.3	$ 1,766.6

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

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In Millions)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Earnings (Loss)	Total Shareholders' Equity
BALANCE AT DECEMBER 31, 2019	$ 9.0	$ 26.8	$ 7,980.5	$ (372.4)	$ 7,643.9
Adoption of credit loss accounting standard	—	—	(7.0)	—	(7.0)
Net earnings attributable to Laboratory Corporation of America Holdings	—	—	1,556.1	—	1,556.1
Other comprehensive earnings (loss), net of tax	—	—	—	210.5	210.5
Issuance of common stock under employee stock plans	—	55.9	—	—	55.9
Net share settlement tax payments from issuance of stock to employees	—	(34.5)	—	—	(34.5)
Stock compensation	—	111.7	—	—	111.7
Purchase of common stock	—	(49.6)	(50.4)	—	(100.0)
BALANCE AT DECEMBER 31, 2020	9.0	110.3	9,479.2	(161.9)	9,436.6
Net earnings attributable to Laboratory Corporation of America Holdings	—	—	2,377.3	—	2,377.3
Other comprehensive earnings (loss), net of tax	—	—	—	(30.0)	(30.0)
Issuance of common stock under employee stock plans	—	51.7	—	—	51.7
Net share settlement tax payments from issuance of stock to employees	—	(47.4)	—	—	(47.4)
Stock compensation	—	153.7	—	—	153.7
Purchase of common stock	(0.5)	(268.3)	(1,399.7)	—	(1,668.5)
BALANCE AT DECEMBER 31, 2021	8.5	—	10,456.8	(191.9)	10,273.4
Net earnings attributable to Laboratory Corporation of America Holdings	—	—	1,279.1	—	1,279.1
Other comprehensive earnings (loss), net of tax	—	—	—	(301.3)	(301.3)
Dividends declared	—	—	(198.7)	—	(198.7)
Issuance of common stock under employee stock plan	—	50.6	—	—	50.6
Net share settlement tax payments from issuance of stock to employees	—	(50.6)	—	—	(50.6)
Stock compensation	—	144.1	—	—	144.1
Purchase of common stock	(0.4)	(144.1)	(955.5)	—	(1,100.0)
BALANCE AT DECEMBER 31, 2022	$ 8.1	$ —	$ 10,581.7	$ (493.2)	$ 10,096.6

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

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Millions)

	Years Ended December 31,		
	2022	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings	$ 1,280.6	$ 2,379.5	$ 1,557.0
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	633.9	745.1	624.7
Stock compensation	144.1	153.7	111.7
Operating lease right-of-use asset expense	194.4	194.9	200.3
Goodwill and other asset impairments	271.5	—	462.1
Deferred income taxes	18.3	(75.9)	(47.0)
Other, net	16.5	(24.0)	83.4
Change in assets and liabilities (net of effects of acquisitions and divestitures):			
(Increase) decrease in accounts receivable	15.9	222.0	(913.4)
Increase in unbilled services	(100.0)	(179.2)	(42.5)
(Increase) decrease in inventory	(45.5)	2.8	(196.6)
Increase in prepaid expenses and other	(256.9)	(68.2)	(5.4)
Increase (decrease) in accounts payable	307.1	(10.2)	(5.3)
Increase in deferred revenue	35.3	45.0	48.4
Increase (decrease) in accrued expenses and other	(559.3)	(275.9)	257.9
Net cash provided by operating activities	1,955.9	3,109.6	2,135.3
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(481.9)	(460.4)	(381.7)
Purchase of investments	(17.4)	(27.8)	(40.1)
Proceeds from sale of assets	1.4	87.3	42.1
Proceeds from sale or distribution of investments	5.2	13.2	1.0
Proceeds from exit from swaps	2.9	—	3.1
Proceeds from sale of business	1.6	—	—
Acquisition of businesses, net of cash acquired	(1,164.0)	(496.9)	(267.6)
Net cash used for investing activities	(1,652.2)	(884.6)	(643.2)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from senior note offerings	—	1,000.0	—
Payments on senior notes	—	(1,000.0)	(412.2)
Payments on term loan	—	(375.0)	—
Proceeds from revolving credit facilities	787.4	—	151.7
Payments on revolving credit facilities	(787.4)	—	(151.7)
Net share settlement tax payments from issuance of stock to employees	(50.6)	(47.4)	(34.5)
Net proceeds from issuance of stock to employees	50.6	51.7	55.9
Dividends paid	(195.2)	—	—
Purchase of common stock	(1,100.0)	(1,668.5)	(100.0)
Other	(27.0)	(26.6)	(26.6)
Net cash used for financing activities	(1,322.2)	(2,065.8)	(517.4)
Effect of exchange rate changes on cash and cash equivalents	(24.2)	(7.3)	8.6
Net increase (decrease) in cash and cash equivalents	(1,042.7)	151.9	983.3
Cash and cash equivalents at beginning of period	1,472.7	1,320.8	337.5
Cash and cash equivalents at end of period	$ 430.0	$ 1,472.7	$ 1,320.8

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

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars and shares in millions, except per share data)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Financial Statement Presentation

Laboratory Corporation of America® Holdings (Labcorp® or the Company) is a leading global life sciences company that provides vital information to help doctors, hospitals, pharmaceutical companies, researchers, and patients make clear and confident decisions. By leveraging its unparalleled diagnostics and drug development capabilities, the Company provides insights and accelerates innovations to improve health and improve lives. With more than 80,000 employees, the Company serves clients in more than 100 countries.

The Company reports its business in two segments, Labcorp Diagnostics (Dx) and Labcorp Drug Development (DD). For further financial information about these segments, including information for each of the last three fiscal years regarding revenue, operating income, and other important information, see Note 19 Business Segment Information. In 2022, Dx and DD contributed 61% and 39%, respectively, of revenues to the Company, and in 2021 contributed 64% and 36%, respectively.

The consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries for which it exercises control. Long-term investments in affiliated companies in which the Company exercises significant influence, but which it does not control, are accounted for using the equity method. Investments in which the Company does not exercise significant influence (generally, when the Company has an investment of less than 20% and no representation on the investee's board of directors) are accounted for at fair value or at cost minus impairment adjusted for observable price changes in orderly transactions for an identical or similar investment of the same issuer for those investments that do not have readily determinable fair values. All significant inter-company transactions and accounts have been eliminated. The Company does not have any variable interest entities or special purpose entities whose financial results are not included in the consolidated financial statements.

The financial statements of the Company's operating foreign subsidiaries are measured using the local currency as the functional currency. Assets and liabilities are translated at exchange rates as of the balance sheet date. Revenues and expenses are translated at average monthly exchange rates prevailing during the year. Resulting translation adjustments are included in “Accumulated other comprehensive income.”

Reimbursable Out-of-Pocket Expenses

DD pays on behalf of its customers certain out-of-pocket costs for which the Company is reimbursed at cost, without mark-up or profit. Out-of-pocket costs paid by DD are reflected in cost of revenues, while the reimbursements received are reflected in revenues in the consolidated statements of operations.

Cost of Revenues

Cost of revenue includes direct labor and related benefit charges, reimbursable expenses, other direct costs, shipping and handling fees, and an allocation of facility charges and information technology costs. Selling, general and administrative expenses consist primarily of administrative payroll and related benefit charges, advertising and promotional expenses, administrative travel and an allocation of facility charges and information technology costs. Cost of advertising is expensed as incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. Significant estimates include implicit price concessions, revenue estimates, the allowances for doubtful accounts, deferred tax assets, fair values of acquired assets and assumed liabilities in business combinations, fair value of goodwill and indefinite-lived intangible assets, amortization lives for acquired intangible assets, and accruals for self-insurance reserves, litigation reserves and pensions. Actual results could differ from those estimates.

The extent to which the COVID-19 pandemic has and will continue to impact the Company’s business and financial results depend on numerous evolving factors including, but not limited to the magnitude and duration of the COVID-19 pandemic, the impact to worldwide macroeconomic conditions including interest rates, employment rates and health insurance coverage, the speed of the anticipated recovery, and governmental and business reactions to the pandemic. The Company assessed certain accounting matters that generally require consideration of forecasted financial information in context with the information reasonably available to the Company and the unknown future impacts of COVID-19 as of December 31, 2022, and through the date of this Annual Report. The accounting matters assessed included, but were not limited to, the Company’s implicit price

(Dollars and shares in millions, except per share data)

concessions and credit losses, equity investments, and the carrying value of goodwill and other long-lived assets. The Company's future assessment of the magnitude and duration of COVID-19, as well as other factors, could impact the Company's consolidated financial statements in future reporting periods.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable.

The Company maintains cash and cash equivalents with various major financial institutions. The total cash and cash equivalent balances that exceeded the balances insured by the Federal Deposit Insurance Commission, were approximately $428.1 and $1,471.0 at December 31, 2022, and 2021, respectively.

Substantially all of the Company's accounts receivable are with companies in the healthcare or pharmaceutical industry and individuals. However, concentrations of credit risk are mitigated due to the number of the Company's customers as well as their dispersion across many different geographic regions.

Although Dx has receivables due from U.S. and state governmental agencies, the Company does not believe that such receivables represent a credit risk since the related healthcare programs are funded by U.S. and state governments, and payment is primarily dependent upon submitting appropriate documentation. Accounts receivable balances (gross) from Medicare and Medicaid were $85.8 and $94.5 at December 31, 2022, and 2021, respectively.

For the Company's operations in Ontario, Canada, the Ontario Ministry of Health and Long-Term Care (Ministry) determines who can establish a licensed community medical laboratory and caps the amount that each of these licensed laboratories can bill the government sponsored healthcare plan. The Ontario government-sponsored healthcare plan covers the cost of commercial laboratory testing performed by the licensed laboratories. The provincial government discounts the annual testing volumes based on certain utilization discounts and establishes an annual maximum it will pay for all community laboratory tests. The agreed-upon reimbursement rates are subject to Ministry review at the end of year and can be adjusted (at the government's discretion) based upon the actual volume and mix of test work performed by the licensed healthcare providers in the province during the year. There were no capitated accounts receivable balances from the Ontario government sponsored healthcare plan at December 31, 2022. The balance was CAD 7.2 at December 31, 2021.

The portion of the Company's accounts receivable due from patients comprises the largest portion of credit risk. At December 31, 2022, and 2021, receivables due from patients represented approximately 15.3% and 16.7% of the Company's consolidated gross accounts receivable, respectively. The Company applies assumptions and judgments including historical collection experience and reasonable and supportable forecasts for assessing collectability and determining allowances for doubtful accounts for accounts receivable from patients.

Earnings per Share

Basic earnings per share is computed by dividing net earnings attributable to Laboratory Corporation of America Holdings by the weighted average number of common shares outstanding. Diluted earnings per share is computed by dividing net earnings including the impact of dilutive adjustments by the weighted average number of common shares outstanding plus potentially dilutive shares, as if they had been issued at the earlier of the date of issuance or the beginning of the period presented. Potentially dilutive common shares result primarily from the Company's outstanding stock options, restricted stock awards, performance share awards, and accelerated share repurchases.

The following represents a reconciliation of basic earnings per share to diluted earnings per share:

	2022			2021			2020		
	Income	Shares	Per Share Amount	Income	Shares	Per Share Amount	Income	Shares	Per Share Amount
Basic earnings per share	$ 1,279.1	91.1	$ 14.05	$ 2,377.3	96.7	$ 24.60	$ 1,556.1	97.3	$ 15.99
Stock options and stock awards	—	0.5		—	0.8		—	0.7	
Diluted earnings per share	$ 1,279.1	91.6	$ 13.97	$ 2,377.3	97.5	$ 24.39	$ 1,556.1	98.0	$ 15.88

(Dollars and shares in millions, except per share data)

The following table summarizes the potential common shares not included in the computation of diluted earnings per share because their impact would have been antidilutive:

	Years Ended December 31,		
	2022	2021	2020
Stock options	0.2	0.1	0.2

Stock Compensation Plans

The Company measures stock compensation cost for all equity awards at fair value on the date of grant and recognizes compensation expense over the service period for awards expected to vest. The fair value of restricted stock units is determined based on the number of shares granted and the quoted price of the Company's common stock on the grant date. The grant date fair value of performance awards is based on a Monte Carlo simulated fair value for the relative (as compared to the peer companies) total shareholder return component of the performance awards. Such value is recognized as an expense over the service period, net of estimated forfeitures and the Company's determination of whether it is probable that the performance targets will be achieved. At the end of each reporting period, the Company reassesses the probability of achieving performance targets. The estimation of equity awards that will ultimately vest requires judgment and the Company considers many factors when estimating expected forfeitures, including types of awards, employee class, and historical experience. Forfeitures are recognized as a reduction of compensation expense in earnings in the period in which they occur.

See Note 13 Stock Compensation Plans for assumptions used in calculating compensation expense for the Company's stock compensation plans.

Cash Equivalents

Cash and cash equivalents consist of highly liquid instruments, such as commercial paper, time deposits, and other money market instruments, which have maturities when purchased of three months or less.

Supplies Inventory

Inventories, consisting primarily of purchased laboratory and customer supplies and finished goods, are stated at the lower of cost (first-in, first-out) or net realizable value. Supplies accounted for $412.8 and $371.5 and finished goods accounted for $57.8 and $29.9 of total inventory at December 31, 2022, and 2021, respectively. The Company's inventory reserve balance was $23.3 and $40.1, as of December 31, 2022 and 2021, respectively.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Depreciation and amortization expense is computed on all classes of assets based on their estimated useful lives, as indicated below, using the straight-line method.

	Years
Buildings and building improvements	10 - 35
Machinery and equipment	3 - 10
Furniture and fixtures	5 - 10
Software	3 - 10

Leasehold improvements are amortized over the shorter of their estimated useful lives or the term of the related leases. Expenditures for repairs and maintenance are charged to operations as incurred. Retirements, sales and other disposals of assets are recorded by removing the cost and accumulated depreciation from the related accounts with any resulting gain or loss reflected in the consolidated statements of operations.

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. If the carrying value is no longer recoverable based upon the undiscounted future cash flows of the asset, the amount of the impairment is the difference between the carrying amount and the fair value of the asset.

Capitalized Software Costs

The Company capitalizes purchased software that is ready for service and capitalizes software development costs incurred on significant projects starting from the time that the preliminary project stage is completed and the Company commits to funding a project until the project is substantially complete and the software is ready for its intended use. Capitalized costs include direct material and service costs and payroll and payroll-related costs. Research and development (R&D) costs and other computer software maintenance costs related to software development are expensed as incurred. Capitalized software costs are amortized using the straight-line method over the estimated useful life of the underlying system ranging from three to

fifteen years, generally five years. Amortization begins once the underlying system is substantially complete and ready for its intended use.

Goodwill and Indefinite-lived Intangibles

The Company assesses goodwill and indefinite-lived intangibles, which are not amortized, for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The annual impairment test for goodwill includes an option to perform a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying value. Reporting units are businesses with discrete financial information that is available and reviewed by management. If the Company determines that it is more likely than not that the fair value of a reporting unit is less than its carrying value, then the Company performs the quantitative goodwill impairment test. The Company may also choose to bypass the qualitative assessment for any reporting unit in its goodwill assessment and proceed directly to performing the quantitative assessment. The Company recognizes an impairment charge for the amount by which the reporting unit's carrying amount exceeds its fair value.

In the qualitative assessment, the Company considers relevant events and circumstances for each reporting unit, including (i) current year results, (ii) financial performance versus management’s annual and five-year strategic plans, (iii) changes in the reporting unit carrying value since prior year, (iv) industry and market conditions in which the reporting unit operates, (v) macroeconomic conditions, including discount rate changes, and (vi) changes in products or services offered by the reporting unit. If applicable, performance in recent years is compared to forecasts included in prior quantitative valuations. Based on the results of the qualitative assessment, if the Company concludes that it is not more likely than not that the fair value of the reporting unit is less than its carrying values of the reporting unit, then no quantitative assessment is performed.

The quantitative assessment includes the estimation of the fair value of each reporting unit as compared to the carrying value of the reporting unit. The Company estimates the fair value of a reporting unit using both income-based and market-based valuation methods. The income-based approach is based on the reporting unit's forecasted future cash flows that are discounted to the present value using the reporting unit's weighted average cost of capital. For the market-based approach, the Company utilizes a number of factors such as publicly available information regarding the market capitalization of the Company as well as operating results, business plans, market multiples, and present value techniques. Based upon the range of estimated values developed from the income and market-based methods, the Company determines the estimated fair value for the reporting unit. If the estimated fair value of the reporting unit exceeds the carrying value, the goodwill is not impaired and no further review is required.

Management performed its annual goodwill and intangible asset impairment testing as of the beginning of the fourth quarter of 2022. The Company elected to perform the qualitative assessment for goodwill and intangible assets for the domestic Dx reporting units, and a quantitative assessment for all of the DD reporting units, and the Canadian reporting unit which includes indefinite-lived assets consisting of acquired Canadian licenses. Based upon the results of the qualitative and quantitative assessments, the Company concluded that the fair values of each of its reporting units, as of October 1, 2022, were greater than the carrying values. For the early development reporting unit, which is part of the DD segment, the fair value of the business exceeded the book value by approximately 10%.

In December 2022, a significant supplier of the early development reporting unit was no longer able to provide critical testing supplies resulting in an expectation of lower near term revenue and profitability and potential higher future costs. Based on this information, management prepared a new forecast and updated the impairment testing valuations as of December 31, 2022. Based on the quantitative impairment assessment performed in the same manner as the Company's annual quantitative assessment, the Company concluded that the fair value was less than carrying value for the early development reporting unit and recorded a goodwill impairment of $260.0 in the DD segment.

Although the Company believes that the current assumptions and estimates used in its goodwill analysis are reasonable, supportable, and appropriate, continued efforts to maintain or improve the performance of these businesses could be impacted by unfavorable or unforeseen changes which could impact the existing assumptions used in the impairment analysis. Various factors could reasonably be expected to unfavorably impact existing assumptions: primarily delays in new customer bookings and the related delay in revenue from new customers, increases in customer termination activity or increases in operating costs. Accordingly, there can be no assurance that the estimates and assumptions made for the purposes of the goodwill impairment analysis will prove to be accurate predictions of future performance. It is possible that the Company's conclusions regarding impairment or recoverability of goodwill or intangible assets in any reporting unit could change in future periods. There can be no assurance that the estimates and assumptions used in the Company's goodwill and intangible asset impairment testing performed as of the beginning of the fourth quarter of 2022 or at the end of the year will prove to be accurate predictions of the future, if, for example, (i) the businesses do not perform as projected, (ii) overall economic conditions in 2023 or future years

vary from current assumptions (including changes in discount rates), (iii) business conditions or strategies for a specific reporting unit change from current assumptions, including loss of major customers, (iv) investors require higher rates of return on equity investments in the marketplace or (v) enterprise values of comparable publicly traded companies, or actual sales transactions of comparable companies, were to decline, resulting in lower multiples of revenues and EBITDA.

Intangible Assets

Intangible assets with finite lives are amortized on a straight-line basis over the expected periods to be benefited, as set forth in the table below, such as legal life for patents and technology and contractual lives for non-compete agreements.

	Years
Customer relationships	10 - 36
Patents, licenses and technology	3 - 15
Non-compete agreements	3 - 5
Trade names	1 - 15

Intangible assets with finite lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. If the carrying value is no longer recoverable based upon the undiscounted future cash flows of the asset, the amount of the impairment is the difference between the carrying amount and the fair value of the asset.

Debt Issuance Costs

The costs related to the issuance of debt are capitalized, netted against the related debt for presentation purposes and amortized to interest expense over the terms of the related debt.

Professional Liability

The Company is self-insured (up to certain limits) for professional liability claims arising in the normal course of business, generally related to the testing and reporting of laboratory test results. The Company estimates a liability that represents the ultimate exposure for aggregate losses below those limits. The liability is based on assumptions and factors for known and incurred but not reported claims, including the frequency and payment trends of historical claims.

Leases

All leases with a lease term greater than 12 months, regardless of lease type classification, are recorded as an obligation on the balance sheet with a corresponding right-of-use asset. Both finance and operating leases are reflected as liabilities on the commencement date of the lease based on the present value of the lease payments to be made over the lease term. Right-of-use assets are valued at the initial measurement of the lease liability, plus any initial direct costs or rent prepayments, minus lease incentives and any deferred lease payments. The classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease.

A certain number of these leases contain rent escalation clauses either fixed or adjusted periodically for inflation or market rates that are factored into the Company's determination of lease payments. The Company also has variable lease payments that do not depend on a rate or index, for items such as volume purchase commitments, which are recorded as variable cost when incurred. As most of the Company's leases do not provide an implicit rate, the Company estimates an incremental borrowing rate based on the credit quality of the Company and by comparing interest rates available in the market for similar borrowings, and adjusting this amount based on the impact of collateral over the term of each lease. The Company uses this rate to discount payments to present value. Some operating leases contain renewal options, some of which also include options to early terminate the leases. The exercise of these options is at the Company's discretion and the Company evaluates each renewal option to determine if it is reasonably possible to be exercised and should be included in the accounting lease term. See Note 5 Leases to the Consolidated Financial Statements.

Income Taxes

The Company accounts for income taxes utilizing the asset and liability method. Under this 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 for tax loss 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. The Company does not recognize a tax benefit unless the Company concludes that it is more likely than not that the benefit will be sustained on audit by the taxing authority based solely on the technical merits of the associated tax position. If the recognition threshold is met, the Company recognizes a tax benefit

measured at the largest amount of the tax benefit that the Company believes is greater than 50% likely to be realized. The Company records interest and penalties in income tax expense.

Derivative Financial Instruments

The Company addresses its exposure to market risks, principally the market risk associated with changes in interest rates and currency exchange rates, through a controlled program of risk management that includes, from time to time, the use of derivative financial instruments. The Company does not hold or issue derivative financial instruments for trading purposes. The Company does not believe that its exposure to market risk is material to the Company's financial position or results of operations.

Interest rate swap agreements, which have been used by the Company from time to time in the management of interest rate exposure, are accounted for at fair value. These derivative financial instruments are accounted for as fair value hedges that increase or decrease the value of the Senior Notes with the offset being recorded as a component of other long-term assets or liabilities, as applicable. As the specific terms and notional amounts of the derivative financial instruments match those of the fixed-rate debt being hedged, the derivative instruments are assumed to be perfectly effective hedges and accordingly, there is no impact to the Company's consolidated statements of operations. Cash flows from the interest rate swaps are including in operating activities.

Cross currency swap agreements, which have been used by the Company to hedge the foreign currency exposure of its net investment in a foreign subsidiary denominated in non-U.S. currency, are accounted for at fair value. Changes in the fair value of the cross-currency swaps are charged or credited through accumulated other comprehensive income in the Consolidated Balance Sheet until the hedged item is recognized in earnings. The cumulative amount of the fair value hedging adjustments are recognized as currency translation within the Consolidated Statements of Comprehensive Earnings.

Foreign currency forward contracts, which have been used by the Company to hedge foreign currency receivables, are recognized as assets or liabilities at their fair value. These contracts do not qualify for hedge accounting and the changes in fair value are recorded directly to earnings. The contracts are short-term in nature and the fair value of these contracts is based on market prices for comparable contracts. The fair value of these contracts is not significant as of December 31, 2022 and 2021.

Fair Value of Financial Instruments

Fair value measurements for financial assets and liabilities are determined based on the assumptions that a market participant would use in pricing an asset or liability. A three-tiered fair value hierarchy draws distinctions between market participant assumptions based on (i) observable inputs such as quoted prices in active markets (Level 1), (ii) inputs other than quoted prices in active markets that are observable either directly or indirectly (Level 2), and (iii) unobservable inputs that require the Company to use present value and other valuation techniques in the determination of fair value (Level 3).

Research and Development

The Company expenses R&D costs as incurred.

Foreign Currencies

For subsidiaries outside of the U.S. that operate in a local currency environment, income and expense items are translated to U.S. dollars at the monthly average rates of exchange prevailing during the period, assets and liabilities are translated at period-end exchange rates and equity accounts are translated at historical exchange rates. Translation adjustments are accumulated in a separate component of shareholders' equity in the consolidated balance sheets and are included in the determination of comprehensive income in the consolidated statements of comprehensive earnings and consolidated statements of changes in shareholders' equity. Transaction gains and losses are included in the determination of net income in the consolidated statements of operations.

2. REVENUES

Description of Revenues

Dx attributes revenues to a geographical region based upon where the diagnostic test is performed, while DD attributes revenues to a geographical region based upon where the services are performed. The Company's revenue by segment payers/customer groups for the years ended December 31, 2022, 2021 and 2020 is as follows:

(Dollars and shares in millions, except per share data)

	For the Year Ended December 31, 2022				For the Year Ended December 31, 2021				For the Year Ended December 31, 2020			
	North America	Europe	Other	Total	North America	Europe	Other	Total	North America	Europe	Other	Total
Payer/Customer												
Dx												
Clients	18 %	— %	— %	18 %	17 %	— %	— %	17 %	20 %	— %	— %	20 %
Patients	6 %	— %	— %	6 %	6 %	— %	— %	6 %	6 %	— %	— %	6 %
Medicare and Medicaid	6 %	— %	— %	6 %	7 %	— %	— %	7 %	7 %	— %	— %	7 %
Third party	31 %	— %	— %	31 %	34 %	— %	— %	34 %	32 %	— %	— %	32 %
Total Dx revenues by payer	61 %	— %	— %	61 %	64 %	— %	— %	64 %	65 %	— %	— %	65 %
DD												
Pharmaceutical, biotechnology and medical device companies	19 %	13 %	7 %	39 %	17 %	13 %	6 %	36 %	17 %	11 %	7 %	35 %
Total revenues	80 %	13 %	7 %	100 %	81 %	13 %	6 %	100 %	82 %	11 %	7 %	100 %

Revenues in the U.S. were $11,530.5 (77.5%), $12,566.2 (77.9%) and $11,192.3 (80.1%) for the years ended December 31, 2022, 2021, and 2020.

The following is a description of the current revenue recognition policies of the Company:

Dx Revenues

Dx is an independent clinical laboratory business. It offers a comprehensive menu of frequently requested and specialty diagnostic tests through an integrated network of primary and specialty laboratories across the U.S. In addition to diagnostic testing along with occupational and wellness testing for employers and forensic DNA analysis, Dx also offered a range of other testing services.

Within the Dx segment, a revenue transaction is initiated when Dx receives a requisition order to perform a diagnostic test. The information provided on the requisition form is used to determine the party that will be billed for the testing performed and the expected reimbursement. Dx recognizes revenue and satisfies its performance obligation for services rendered when the testing process is complete and the associated results are reported. Revenues are distributed among four payer portfolios - clients, patients, Medicare and Medicaid and third party. Dx considers negotiated discounts and anticipated adjustments, including historical collection experience for the payer portfolio, when revenues are recorded.

The following are descriptions of the Dx payer portfolios:

Clients

Client payers represent the portion of Dx's revenue related to physicians, hospitals, health systems, accountable care organizations (ACOs), employers and other entities where payment is received exclusively from the entity ordering the testing service. Generally, client sales are recorded on a fee-for-service basis at Dx's client list price, less any negotiated discount. A portion of client billing is for laboratory management services, collection kits and other non-testing services or products. In these cases, revenue is recognized when services are rendered or delivered.

Patients

This portfolio includes revenue from uninsured patients and member cost-share for insured patients (e.g., coinsurance, deductibles and non-covered services). Uninsured patients are billed based upon Dx's patient list fee schedules, net of any discounts negotiated with physicians on behalf of their patients. Dx bills insured patients as directed by their health plan and after consideration of the fees and terms associated with an established health plan contract.

Medicare and Medicaid

This portfolio relates to fee-for-service revenue from traditional Medicare and Medicaid programs. Revenue from these programs is based on the fee schedule established by the related government authority. In addition to contractual discounts, other adjustments including anticipated payer denials are considered when determining revenue. Any remaining adjustments to revenue are recorded at the time of final collection and settlement. These adjustments are not material to Dx's results of operations in any period presented.

Third Party

Third party includes revenue related to managed care organizations (MCOs). The majority of Dx's third-party revenue is reimbursed on a fee-for-service basis. These payers are billed at Dx's established list price and revenue is recorded net of contractual discounts. The majority of Dx's MCO sales are recorded based upon contractually negotiated fee schedules with sales for non-contracted MCOs recorded based on historical reimbursement experience.

In addition to contractual discounts, other adjustments including anticipated payer denials are considered when determining revenue. Any remaining adjustments to revenue are recorded at the time of final collection and settlement. These adjustments are not material to Dx's results of operations in any period presented.

Third-party reimbursement is also received through capitation agreements with MCOs and independent physician associations (IPAs). Under capitated agreements, revenue is recognized based on a negotiated per-member, per-month payment for an agreed upon menu of tests, or based upon the proportionate share earned by Dx from a capitation pool. When the agreed upon reimbursement is based solely on an established rate per member, revenue is not impacted by the volume of testing performed. Under a capitation pool arrangement, the aggregate value of an established rate per member is distributed based on the volume and complexity of the procedures performed by laboratories participating in the agreement. Dx recognizes revenue monthly, based upon the established capitation rate or anticipated distribution from a capitated pool.

DD Revenues

DD is a global contract research organization (CRO) business that provides end-to-end drug development services. DD provides these services predominantly to pharmaceutical, biotechnology, and medical device companies worldwide. A majority of DD's revenues are earned under contracts that are long term in nature, ranging in duration from a few months to many years. The majority of DD's contracts contain a single performance obligation, as DD provides a significant service of integrating all promises in the contract and the promises are highly interdependent and interrelated with one another. For contracts that include multiple performance obligations, DD allocates the contract value to the goods and services based on a customer price list, if available. If a price list is not available, DD will estimate the transaction price using either market prices or an "expected cost plus margin" approach. The total contract value is estimated at the beginning of the contract, and is equal to the amount expected to be billed to the customer. Other payments and billing adjustments may also factor into the calculation of total contract value, such as the reimbursement of out-of-pocket costs and volume-based rebates. These contracts generally take the form of fixed-price or fee-for-service arrangements subject to pricing adjustments based on changes in scope.

Fixed-price contracts are typically recognized as revenue over time based on a proportional-performance basis, using either input or output methods that are specific to the service provided. In an output method, revenue is determined by dividing the actual units of output achieved by the total units of output required under the contract and multiplying that percentage by the total contract value. When using an input method, revenue is recognized by dividing the actual costs incurred by the total estimated cost expected to complete the contract, and multiplying that percentage by the total contract value. Contract costs principally include direct labor and reimbursable out-of-pocket costs. The estimate of total costs expected to complete the contract requires significant judgment and estimates are based on various assumptions of events that often span several years. These estimates are reviewed periodically and any adjustments are recognized on a cumulative catch-up basis in the period they become known.

Fee-for-service contracts are typically priced based on transaction volume or time and materials. For volume based contracts the contract value is entirely variable and revenue is recognized as the specific product or service is completed. For services billed based on time and materials, revenue is recognized using the right to invoice practical expedient.

Contracts are often modified to account for changes in contract specifications and requirements. Generally, when contract modifications create new performance obligations, the modification is considered to be a separate contract and revenue is recognized prospectively. When contract modifications change existing performance obligations, the impact on the existing transaction price and measure of progress for the performance obligation to which it relates is generally recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

Most contracts are terminable with or without cause by the customer, either immediately or upon notice. These contracts often require payment to DD of expenses to wind-down the study or project, fees earned to date and, in some cases, a termination fee or a payment to DD of some portion of the fees or profits that could have been earned by DD under the contract if it had not been terminated early. Termination fees are included in revenues when services are performed and realization is assured.

(Dollars and shares in millions, except per share data)

DD Contract costs

DD incurs sales commissions in the process of obtaining contracts with customers, which are recoverable through the service fees in the contract. Sales commissions that are payable upon contract award are recognized as assets and amortized over the expected contract term, along with related payroll tax expense. The amortization of commission expense is based on the weighted average contract duration for all commissionable awards in the respective business in which the commission expense is paid, which approximates the period over which goods and services are transferred to the customer. The amortization period of sales commissions ranges from approximately 1 to 5 years, depending on the business. For businesses that enter primarily short-term contracts, DD applies the practical expedient which allows costs to obtain a contract to be expensed when incurred if the amortization period of the assets that would otherwise have been recognized is one year or less. Amortization of assets from sales commissions is included in selling, general, and administrative expense.

DD incurs costs to fulfill contracts with customers, which are recoverable through the service fees in the contract. Contract fulfillment costs include software implementation costs and setup costs for certain services. These costs are recognized as assets and amortized over the expected term of the contract to which the implementation relates, which is the period over which services are expected to be provided to the customer. This period typically ranges from 2 to 5 years. Amortization of deferred contract fulfillment costs is included in cost of goods sold.

	December 31, 2022	December 31, 2021
Sales commission assets	$ 38.2	$ 36.2
Deferred contract fulfillment costs	15.0	14.4
Total	$ 53.2	$ 50.6

Amortization related to sales commission assets and associated payroll taxes for the years ended December 31, 2022, 2021, and 2020 was $33.9, $27.5 and $23.2, respectively. Amortization related to deferred contract fulfillment costs for the years ended December 31, 2022, 2021 and 2020 was $12.4, $14.2 and $10.1, respectively. Impairment expense related to contract costs was insignificant to the Company’s consolidated statements of operations. DD applies the practical expedient to not recognize the effect of financing in its contracts with customers, when the difference in timing of payment and performance is one year or less.

Accounts Receivable, Unbilled Services and Unearned Revenue

Differences in the timing of revenue recognition and associated billing and cash collections result in recording accounts receivable, unbilled services and unearned revenue in the consolidated balance sheet. Payments received in advance of services being provided are contract liabilities recognized as unearned revenue. Revenue recognized in advance of billing are recognized as unbilled services and the majority of DD's unbilled services represent unbilled receivables. Once a customer is invoiced, the contract asset is reduced for the amount billed, and a corresponding accounts receivable is recognized. All contract assets are billable to customers within one year from the respective balance sheet date. The following table provides information about accounts receivable, unbilled services, and unearned revenue from contracts with customers:

	December 31, 2022	December 31, 2021
Dx accounts receivable	$ 1,046.9	$ 1,193.8
DD accounts receivable	1,218.6	1,089.2
Less DD allowance for doubtful accounts	(43.5)	(21.5)
Accounts receivable	$ 2,222.0	$ 2,261.5
Gross unbilled services	$ 805.9	$ 730.8
Less reserve for unbilled services	(10.5)	(14.0)
Unbilled services	$ 795.4	$ 716.8
Unearned revenue	$ 582.1	$ 558.5

Revenue recognized during the period, that was included in the unearned revenue balance at the beginning of the period, for the years ended December 31, 2022, 2021, and 2020 was $330.5, $319.4, and $262.6, respectively.

Credit Loss Rollforward

DD estimates future expected losses on accounts receivable, unbilled services and notes receivable over the remaining collection period of the instrument. The rollforward for the allowance for credit losses for the year ended December 31, 2022, is as follows:

(Dollars and shares in millions, except per share data)

	Accounts Receivable	Unbilled Services	Note and Other Receivables	Total
Allowance for credit losses as of December 31, 2020	$ 22.1	$ 11.3	$ 5.7	$ 39.1
Credit loss expense	3.8	2.7	(5.0)	1.5
Write offs	(4.4)	(0.1)	—	(4.5)
Allowance for credit losses as of December 31, 2021	$ 21.5	$ 13.9	$ 0.7	$ 36.1
Credit loss expense	15.1	—	—	15.1
Write offs	6.9	(3.4)	—	3.5
Ending allowance for credit losses as of December 31, 2022	$ 43.5	$ 10.5	$ 0.7	$ 54.7

Performance Obligations Under Long-Term Contracts

Long-term contracts at DD consist primarily of fully managed clinical studies within the DD segment. The amount of existing performance obligations under such long-term contracts unsatisfied as of December 31, 2022, was $5,122.1. DD expects to recognize approximately 30.0% of the remaining performance obligations as of December 31, 2022, as revenue over the next 12 months, and the balance thereafter. DD's long-term contracts generally range from 1 to 8 years.

DD applied the practical expedient and does not disclose information about remaining performance obligations that have original expected durations of one year or less. DD also did not disclose information about remaining performance obligations when the variable consideration was related to a wholly unsatisfied performance obligation within a series of obligations.

Within DD, revenue of $73.0 and $69.8 was recognized during the year ended December 31, 2022, and December 31, 2021, respectively, from performance obligations that were partially satisfied in previous periods. This revenue comes primarily from adjustments related to changes in scope.

3. BUSINESS ACQUISITIONS AND DISPOSITIONS

2022

During the year ended December 31, 2022, the Company acquired various businesses and related assets for approximately $1,164.0 in cash (net of cash acquired). The purchase consideration for all acquisitions year to date has been allocated to the estimated fair market value of the net assets acquired, including approximately $542.3 in identifiable intangible assets and a residual amount of non-tax-deductible goodwill of approximately $598.5. The amortization periods for intangible assets acquired from these transactions range from 15 to 19 years for customer relationships, 15 years for patents and technology, 5 years for non-compete agreements, and 5 to 10 years for trade names. These acquisitions were made primarily to extend the Company's geographic reach in important market areas and enhance the Company's scientific differentiation. The excess of the fair value of the consideration conveyed over the fair value of the net assets acquired was recorded as goodwill. The goodwill reflects the Company's expectations to utilize the acquired businesses' workforce and established relationships and the benefits of being able to leverage operational efficiencies with favorable growth opportunities in these markets. A summary of the net assets acquired in 2022 for these businesses is included below:

LABORATORY CORPORATION OF AMERICA HOLDINGS AND SUBSIDIARIES
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(Dollars and shares in millions, except per share data)

	Preliminary Personal Genome Diagnostics Inc.	Preliminary Ascension Healthcare	Other Acquisitions	Measurement Period Adjustments	Amounts Acquired During Year Ended December 31, 2022
Accounts receivable	$ 4.1	$ —	$ (1.3)	$ (2.3)	$ 0.5
Unbilled services	2.9	—	—	(3.2)	(0.3)
Inventories	2.5	24.6	—	—	27.1
Prepaid expenses and other	1.2	0.4	0.3	—	1.9
Property, plant and equipment	9.9	43.5	0.1	—	53.5
Deferred income taxes	17.5	—	—	15.2	32.7
Goodwill	346.8	125.0	126.7	(40.4)	558.1
Intangible assets	136.6	233.2	172.5	30.4	572.7
Other assets	12.5	—	2.3	(2.3)	12.5
Total assets acquired	534.0	426.7	300.6	(2.6)	1,258.7
Accounts payable	3.8	—	—	(0.1)	3.7
Accrued expenses and other	57.3	—	15.4	0.1	72.8
Unearned revenue	3.3	—	—	(2.6)	0.7
Lease liabilities	—	2.9	—	—	2.9
Other liabilities	14.6	—	—	—	14.6
Total liabilities acquired	79.0	2.9	15.4	(2.6)	94.7
Net assets acquired	$ 455.0	$ 423.8	$ 285.2	$ —	$ 1,164.0

The purchase price allocation for several transactions are still preliminary and subject to change. The areas of the purchase price allocation that are not yet finalized relate primarily to property, plant and equipment, intangible assets, goodwill, and the impact of finalizing deferred taxes. Accordingly, adjustments may be made as additional information is obtained about the facts and circumstances that existed as of the valuation date. Any adjustments will be recorded in the period in which they are identified.

Unaudited Pro Forma Information for 2022 Acquisitions

Had the aggregate of the Company's 2022 acquisitions been completed as of January 1, 2021, the Company's pro forma results would have been as follows:

	Years Ended December 31,	
	2022	2021
Revenues	$ 14,997.6	$ 16,310.5
Net earnings attributable to Laboratory Corporation of America Holdings	1,282.4	2,362.1

2021

During the year ended December 31, 2021, the Company acquired various businesses and related assets for approximately $496.9 in cash (net of cash acquired). The purchase consideration for all acquisitions year to date has been allocated to the estimated fair market value of the net assets acquired, including approximately $198.5 in identifiable intangible assets and a residual amount of non-tax-deductible goodwill of approximately $298.4. The amortization periods for intangible assets acquired from these businesses range from 15 to 19 years for customer relationships, 5 to 15 years for patents and technology, 5 years for non-compete agreements, and 10 years for trade names. These acquisitions were made primarily to extend the Company's geographic reach in important market areas and enhance the Company's scientific differentiation. The excess of the fair value of the consideration conveyed over the fair value of the net assets acquired was recorded as goodwill. The goodwill reflects the Company's expectations to utilize the acquired businesses' workforce and established relationships and the benefits of being able to leverage operational efficiencies with favorable growth opportunities in these markets. A summary of the net assets acquired in 2021 for these businesses is included below:

(Dollars and shares in millions, except per share data)

	Amounts Acquired During Year Ended December 31, 2021
Accounts receivable	$ 10.8
Unbilled services	3.2
Inventories	1.6
Prepaid expenses and other	3.0
Property, plant and equipment	56.6
Goodwill	298.4
Intangible assets	198.5
Total assets acquired	572.1
Accounts payable	2.5
Accrued expenses and other	3.9
Unearned revenue	6.6
Other liabilities	62.2
Total liabilities acquired	75.2
Net assets acquired	$ 496.9

Unaudited Pro Forma Information for 2021 Acquisitions

Had the aggregate of the Company's 2021 acquisitions been completed as of January 1, 2020, the Company's pro forma results would have been as follows:

	Years Ended December 31,	
	2021	2020
Revenues	$ 16,216.6	$ 14,112.8
Net earnings attributable to Laboratory Corporation of America Holdings	2,378.3	1,554.5

2020

During the year ended December 31, 2020, the Company acquired various businesses and related assets for approximately $267.6 in cash (net of cash acquired). The purchase consideration for all acquisitions year to date has been allocated to the estimated fair market value of the net assets acquired, including approximately $121.3 in identifiable intangible assets and a residual amount of non-tax-deductible goodwill of approximately $166.2. The amortization periods for intangible assets acquired from these businesses range from 12 to 15 years for customer relationships. These acquisitions were made primarily to extend the Company's geographic reach in important market areas and enhance the Company's scientific differentiation. The excess of the fair value of the consideration conveyed over the fair value of the net assets acquired was recorded as goodwill. The goodwill reflects the Company's expectations to utilize the acquired businesses' workforce and established relationships and the benefits of being able to leverage operational efficiencies with favorable growth opportunities in these markets. A summary of the net assets acquired in 2020 for these businesses is included below:

	Amounts Acquired During Year Ended December 31, 2020
Accounts receivable	$ 4.9
Unbilled services	2.4
Property, plant and equipment	1.3
Goodwill	166.2
Intangible assets	121.3
Total assets acquired	296.1
Accounts payable	0.9
Accrued expenses and other	22.4
Unearned revenue	1.1
Other liabilities	4.1
Total liabilities acquired	28.5
Net assets acquired	$ 267.6

Unaudited Pro Forma Information for 2020 Acquisitions

Had the aggregate of the Company's 2020 acquisitions been completed as of January 1, 2019, the Company's pro forma results would have been as follows:

(Dollars and shares in millions, except per share data)

	Year Ended December 31, 2020
Revenues	$ 14,032.7
Net earnings attributable to Laboratory Corporation of America Holdings	1,564.6

4. RESTRUCTURING AND OTHER CHARGES

During 2022, the Company recorded net restructuring charges of $83.8. The charges were comprised of $39.3 in severance and other personnel costs, $45.7 in facility-related costs primarily associated with general integration activities. The charges were offset by the reversal of previously established liability of $0.3 in unused severance and $0.9 in unused facility-related costs.

During 2021, the Company recorded net restructuring charges of $43.1. The charges were comprised of $16.3 in severance and other personnel costs and $28.0 in facility-related costs primarily associated with general integration activities. The charges were offset by the reversal of previously established liability of $0.4 in unused severance and $0.8 in unused facility-related costs.

During 2020, the Company recorded net restructuring charges of $40.6. The charges were comprised of $14.1 in severance and other personnel costs, $17.4 for facility, operating lease right-of-use and equipment impairments, and $18.9 in facility closures and general integration activities. The charges were offset by the reversal of previously established liability of $0.6 in unused severance and $9.2 in unused facility-related costs.

The following represents the Company's restructuring activities for the period indicated:

	Severance and Other Employee Costs	Lease and Other Facility Costs	Total
Balance as of December 31, 2020	$ 2.7	$ 5.1	$ 7.8
Restructuring charges	16.3	28.0	44.3
Reduction of prior restructuring accruals	(0.4)	(0.8)	(1.2)
Cash payments and other adjustments	(14.3)	(28.2)	(42.5)
Balance as of December 31, 2021	4.3	4.1	8.4
Restructuring charges	39.3	45.7	85.0
Reduction of prior restructuring accruals	(0.3)	(0.9)	(1.2)
Cash payments and other adjustments	(39.3)	(34.5)	(73.8)
Balance as of December 31, 2022	$ 4.0	$ 14.4	$ 18.4
Current			$ 7.7
Non-current			10.7
			$ 18.4

The non-current portion of the restructuring liabilities is expected to be paid out over 10.7 years. Cash payments and other adjustments include the reclassification of profit sharing, pension, and holiday accrual.

5. LEASES

The Company has operating and finance leases for patient service centers, laboratories and testing facilities, clinical facilities, general office spaces, vehicles, and office and laboratory equipment. Leases have remaining lease terms of less than a year to 16 years, some of which include options to extend the leases for up to 15 years.

The components of lease expense were as follows:

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Operating lease cost	$ 220.0	$ 220.7
Finance lease cost:		
Amortization of right-of-use assets	$ 8.0	$ 9.4
Interest on lease liabilities	5.2	5.4
Total finance lease cost	$ 13.2	$ 14.8

(Dollars and shares in millions, except per share data)

Supplemental cash flow information related to leases was as follows:

	For the Year Ended	
	December 31, 2022	December 31, 2021
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ (225.9)	$ (219.6)
Operating cash flows from finance leases	(5.2)	(5.4)
Financing cash flows from finance leases	(12.3)	(13.1)
ROU assets obtained in exchange for lease obligations:		
Operating leases	$ 178.2	$ 164.6
Finance leases	—	—

Supplemental balance sheet information related to leases was as follows:

	December 31, 2022	December 31, 2021
Operating Leases		
Operating lease ROU assets (included in Property, plant and equipment, net)	$ 773.6	$ 746.3
Short-term operating lease liabilities	185.5	187.0
Operating lease liabilities	679.7	642.5
Total operating lease liabilities	$ 865.2	$ 829.5
Finance Leases		
Finance lease ROU assets (included in Other assets)	$ 74.9	$ 81.7
Short-term finance lease liabilities	6.0	10.5
Financing lease liabilities	83.6	84.6
Total finance lease liabilities	$ 89.6	$ 95.1
Weighted Average Remaining Lease Term		
Operating leases	8.6	8.4
Finance leases	15.6	15.5
Weighted Average Discount Rate		
Operating leases	3.6 %	3.0 %
Finance leases	5.5 %	5.6 %

Maturities of lease liabilities are as follows:

Year Ended December 31, 2022	Operating Leases	Finance Leases
2023	$ 213.0	$ 11.4
2024	160.9	9.9
2025	119.4	7.8
2026	89.0	7.2
2027	72.5	7.2
Thereafter	369.8	85.6
Total lease payments	$ 1,024.6	$ 129.1
Less imputed interest	(159.4)	(39.5)
Less current portion	(185.5)	(6.0)
Total maturities, due beyond one year	$ 679.7	$ 83.6

Rent expense for short term leases with a term less than one year for the years ended December 31, 2022, 2021, and 2020 amounted to $22.2, $19.5, $6.8, respectively. The Company has variable lease payments that do not depend on a rate index, primarily for purchase volume commitments, which are recorded as variable cost when incurred. Total variable payments for the year ended December 31, 2022, 2021 and 2020 were $27.9, $28.4, and $26.7, respectively.

(Dollars and shares in millions, except per share data)

6. PROPERTY, PLANT AND EQUIPMENT, NET

	December 31, 2022	December 31, 2021
Land	$ 99.2	$ 101.4
Buildings and building improvements	1,023.7	954.4
Machinery and equipment	1,893.2	1,670.4
Software	906.3	840.1
Leasehold improvements	514.0	459.9
Furniture and fixtures	118.2	111.9
Construction in progress	350.8	344.2
Operating lease ROU assets	773.6	746.3
	5,679.0	5,228.6
Less accumulated depreciation	(2,722.8)	(2,413.2)
	$ 2,956.2	$ 2,815.4

Depreciation expense and amortization of property, plant and equipment was $374.6, $375.6 and $349.3 for 2022, 2021 and 2020, respectively, including software amortization of $84.2, $82.4, and $84.7 for 2022, 2021 and 2020, respectively.

7. GOODWILL AND INTANGIBLE ASSETS

The changes in the carrying amount of goodwill (net of impairment) for the years ended December 31, 2022 and 2021 are as follows:

	Dx		DD		Total	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Balance as of January 1	$ 4,046.2	$ 3,800.2	$ 3,912.7	$ 3,951.3	$ 7,958.9	$ 7,751.5
Goodwill acquired during the year	557.9	245.1	40.6	53.3	598.5	298.4
Impairment	—	—	(260.0)	—	(260.0)	—
Foreign currency impact and other adjustments to goodwill	(70.6)	0.9	(105.8)	(91.9)	(176.4)	(91.0)
Balance at end of year	$ 4,533.5	$ 4,046.2	$ 3,587.5	$ 3,912.7	$ 8,121.0	$ 7,958.9

The components of identifiable intangible assets are as follows:

	December 31, 2022			December 31, 2021		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	$ 4,681.1	$ (1,546.4)	$ 3,134.7	$ 4,336.0	$ (1,362.1)	$ 2,973.9
Patents, licenses and technology	574.1	(291.1)	283.0	484.6	(267.4)	217.2
Non-compete agreements	86.6	(50.5)	36.1	70.2	(35.5)	34.7
Trade names	16.4	(3.5)	12.9	19.8	(15.5)	4.3
Land use rights	10.3	(8.8)	1.5	10.4	(7.6)	2.8
Canadian licenses	468.7	—	468.7	493.5	—	493.5
Content	5.1	(4.2)	0.9	—	—	—
In process research and development	9.1	—	9.1	9.1	—	9.1
	$ 5,851.4	$ (1,904.5)	$ 3,946.9	$ 5,423.6	$ (1,688.1)	$ 3,735.5

During 2022, the Company recorded goodwill and other asset impairment charges of $271.5 which was primarily comprised of goodwill impairment and the impairment of a technology intangible asset.

During 2020, the Company recorded goodwill and other asset impairment charges of $462.1, $450.5 within DD and $11.6 within Dx. The Company concluded that the fair value was less than the carrying value for two of its reporting units and recorded goodwill impairment of $418.7 and $3.7 for DD and Dx, respectively. Additional impairment of identifiable intangible and tangible assets of $31.8 and $7.9 was recorded for DD and Dx, respectively, in 2020, for impairment of a tradename, software, customer relationships, and technology assets.

The cumulative goodwill impairment for the Company through December 31, 2022 is $733.6.

(Dollars and shares in millions, except per share data)

In December 2020, the Company undertook a rebranding initiative and reduced the estimated useful life of its trade name assets to reflect their anticipated use through December 2021. This change in estimated useful life resulted in accelerated amortization of $88.4 and $27.5 in 2021 and 2020.

A summary of amortizable intangible assets acquired during 2022, and their respective weighted average amortization periods are as follows:

	Amount	Weighted Average Amortization Period
Customer relationships	$ 408.5	18.2
Patents, licenses and technology	106.4	13.8
Non-compete agreements	16.6	5.0
Trade name	10.8	6.0
	$ 542.3	16.7

Amortization of intangible assets was $259.3, $369.6 and $275.4 in 2022, 2021 and 2020, respectively. Amortization expense of intangible assets is estimated to be $273.5 in fiscal 2023, $268.9 in fiscal 2024, $256.7 in fiscal 2025, $246.9 in fiscal 2026, $232.5 in fiscal 2027, and $2,055.6 thereafter.

8. ACCRUED EXPENSES AND OTHER

	December 31, 2022	December 31, 2021
Employee compensation and benefits	$ 527.1	$ 735.5
Accrued taxes payable	146.1	239.6
Accrued pass through expenses	136.5	149.1
Other	259.1	279.9
	$ 1,068.8	$ 1,404.1

9. OTHER LIABILITIES

	December 31, 2022	December 31, 2021
Deferred compensation plan obligation	$ 96.9	$ 104.4
Defined-benefit plan obligation	$ 55.6	$ 136.5
Worker's compensation and auto	46.4	47.2
Cross currency swaps liability	45.7	32.8
Other	178.2	81.1
	$ 422.8	$ 402.0

10. DEBT

Short-term borrowings and current portion of long-term debt at December 31, 2022, and 2021 consisted of the following:

	December 31, 2022	December 31, 2021
4.00% senior notes due 2023	300.0	—
Debt issuance costs	(0.4)	—
Current portion of note payable	1.7	1.5
Total short-term borrowings and current portion of long-term debt	$ 301.3	$ 1.5

(Dollars and shares in millions, except per share data)

Long-term debt at December 31, 2022, and 2021 consisted of the following:

	December 31, 2022	December 31, 2021
4.00% senior notes due 2023	—	300.0
2.30% senior notes due 2024	400.0	400.0
3.25% senior notes due 2024	600.0	600.0
3.60% senior notes due 2025	1,000.0	1,000.0
1.55% senior notes due 2026	500.0	500.0
3.60% senior notes due 2027	600.0	600.0
2.95% senior notes due 2029	650.0	650.0
2.70% senior notes due 2031	420.3	502.9
4.70% senior notes due 2045	900.0	900.0
Debt issuance costs	(33.8)	(41.0)
Note payable	2.3	4.6
Total long-term debt	$ 5,038.8	$ 5,416.5

Credit Facilities

On June 3, 2019, the Company entered into a $850.0 term loan (the 2019 Term Loan). The Company fully repaid the remaining 2019 Term Loan balance during the first quarter of 2021.

The Company also maintains a senior revolving credit facility, which was amended and restated on April 30, 2021. It consists of a five-year revolving facility in the principal amount of up to $1,000.0, with the option of increasing the facility by up to an additional $500.0, subject to the agreement of one or more new or existing lenders to provide such additional amounts and certain other customary conditions. The revolving credit facility also provides for a subfacility of up to $100.0 for swing line borrowings and a subfacility of up to $150.0 for issuances of letters of credit. The Company is required to pay a facility fee on the aggregate commitments under the revolving credit facility, at a per annum rate ranging from 0.10% to 0.225%, depending on the Company's debt ratings. The revolving credit facility is permitted to be used for general corporate purposes, including working capital, capital expenditures, funding of share repurchases and certain other payments, acquisitions, and other investments. There were no balances outstanding on the Company's current revolving credit facility at December 31, 2022, or December 31, 2021. As of December 31, 2022, the effective interest rate on the revolving credit facility was 5.39%. The credit facility expires on April 30, 2026.

Under the Company's the revolving credit facility, the Company is subject to negative covenants limiting subsidiary indebtedness and certain other covenants typical for investment grade-rated borrowers and the Company is required to maintain certain leverage ratios. The Company was in compliance with all covenants in its term loans and the revolving credit facility at December 31, 2022, and expects that it will remain in compliance with its existing debt covenants for the next twelve months.

The Company’s revolving credit facility is not encumbered by any of the Company's outstanding letters of credit. There were $84.5 in outstanding letters of credit as of December 31, 2022.

Senior Notes

On May 26, 2021, the Company issued new senior notes representing $1,000.0 in debt securities consisting of $500.0 aggregate principal amount of 1.55% senior notes due 2026 and $500.0 aggregate principal amount of 2.70% senior notes due 2031. Interest on these notes is payable semi-annually in arrears on June 1 and December 1 of each year, commencing on December 1, 2021. Net proceeds from the offering of these notes were $989.4 after deducting underwriting discounts and other expenses of the offering. The net proceeds were used, along with cash on hand, to redeem, prior to maturity, the Company's outstanding 3.20% senior notes due February 1, 2022 and 3.75% senior notes due August 23, 2022.

During the second quarter of 2021, the Company entered into fixed-to-variable interest rate swap agreements for its 2.70% senior notes due 2031 with an aggregate notional amount of $500.0 and variable interest rates based on three-month LIBOR plus 1.0706% to hedge against changes in the fair value of a portion of the Company's long-term debt. These interest rate swaps are included in other long-term liabilities and deducted from the value of the senior notes with an aggregate fair value of $79.7 at December 31, 2022.

(Dollars and shares in millions, except per share data)

The scheduled payments of long-term debt at the end of 2022 are summarized as follows:

2023	$	301.3
2024		1,000.0
2025		1,000.0
2026		500.0
2027		600.0
Thereafter		1,972.6
Total scheduled payments		5,373.9
Less long-term debt issuance costs		(33.8)
Total long-term debt		5,340.1
Less current portion		(301.3)
Long-term debt, due beyond one year	$	5,038.8

11. PREFERRED STOCK AND COMMON SHAREHOLDERS' EQUITY

The Company is authorized to issue up to 265.0 shares of common stock, par value $0.10 per share. The Company is authorized to issue up to 30.0 shares of preferred stock, par value $0.10 per share. There were no preferred shares outstanding as of December 31, 2022 and 2021.

The changes in common shares issued and held in treasury are summarized below:

Common Shares Issued

	2022	2021	2020
Common stock issued at January 1	93.1	97.5	97.2
Common stock issued under employee stock plans	0.7	0.8	0.9
Purchase of common stock	(5.6)	(5.2)	(0.6)
Common stock issued at December 31	88.2	93.1	97.5

The Company's treasury shares are recorded at aggregate cost.

Share Repurchase Program

During the fourth quarter of 2021, the board of directors (the Board) adopted a new share repurchase plan authorizing up to $2,500.0 of the Company's shares in addition to the remaining amount outstanding under the previous plan. Under this plan, the Company commenced an Accelerated Share Repurchase (ASR) program. At inception, the Company paid $1,000.0 and received 2.7 shares based on a calculation using 80% of the shares calculated at the price at the inception of the ASR agreements with two different banks, Goldman Sachs & Co. LLC and Barclays Bank PLC. The initial shares received under the ASR program were removed from the outstanding share count in 2021. During the twelve months ended December 31, 2022, 0.9 shares were retired as part of this ASR program.

Additionally, during the twelve months ended December 31, 2022, the Company repurchased 4.7 shares of its common stock at an average price of $233.48 for a total cost of $1,100.0. At the end of 2022, the Company had outstanding authorization from the board of directors to purchase up to $531.5 of the Company's common stock.

On February 7, 2023, the Board approved an additional $1,000.0 for share repurchases, bringing the total available authorization to $1,531.5. The repurchase authorization has no expiration.

Dividends

For the twelve months ended December 31, 2022, the Company paid $195.2 in common stock dividends. On January 12, 2023, the Company announced a cash dividend of $0.72 per share of common stock for the first quarter, or approximately $64.8 in the aggregate. The dividend will be payable on March 13, 2023, to stockholders of record of all issued and outstanding shares of common stock as of the close of business on February 23, 2023. The declaration and payment of any future dividends will be at the discretion of the Company's Board.

(Dollars and shares in millions, except per share data)

Accumulated Other Comprehensive Earnings

The components of accumulated other comprehensive earnings are as follows:

	Foreign Currency Translation Adjustments	Net Benefit Plan Adjustments	Accumulated Other Comprehensive Earnings
Balance at December 31, 2020	$ (21.3)	$ (140.6)	$ (161.9)
Current year adjustments	(104.6)	101.7	(2.9)
Pension settlement charge	—	(3.7)	(3.7)
Amounts reclassified from accumulated other comprehensive earnings (a)	—	(6.3)	(6.3)
Tax effect of adjustments	—	(17.1)	(17.1)
Balance at December 31, 2021	$ (125.9)	$ (66.0)	$ (191.9)
Current year adjustments	(335.5)	52.5	(283.0)
Pension settlement charge	—	(3.1)	(3.1)
Amounts reclassified from accumulated other comprehensive earnings (a)	(0.9)	(4.6)	(5.5)
Tax effect of adjustments	—	(9.7)	(9.7)
Balance at December 31, 2022	$ (462.3)	$ (30.9)	$ (493.2)

(a) The amortization of prior service cost is included in the computation of net periodic benefit cost. Refer to Note 15 Pension and Postretirement Plans for additional information regarding the Company's net periodic benefit cost.

12. INCOME TAXES

The sources of income before taxes, classified between domestic and foreign entities, are as follows:

	2022	2021	2020
Domestic	$ 1,321.0	$ 2,580.6	$ 1,846.5
Foreign	261.6	546.0	372.5
Total pre-tax income	$ 1,582.6	$ 3,126.6	$ 2,219.1

The components of income tax expense attributable to continuing operations are as follows:

	Years Ended December 31,		
	2022	2021	2020
Current tax expense:			
Federal	$ 189.4	$ 545.5	$ 455.3
State	40.1	171.9	172.8
Foreign	65.3	107.7	81.0
	$ 294.8	$ 825.1	$ 709.1
Deferred tax expense/(benefit):			
Federal	$ 7.8	$ (64.6)	$ (6.7)
State	(5.4)	(13.7)	(28.1)
Foreign	4.8	0.3	(12.2)
	7.2	(78.0)	(47.0)
Total income tax expense	$ 302.0	$ 747.1	$ 662.1

The effective tax rates on earnings before income taxes are reconciled to statutory U.S. income tax rates as follows:

	Years Ended December 31,		
	2022	2021	2020
Statutory U.S. rate	21.0 %	21.0 %	21.0 %
State and local income taxes, net of U.S. federal income tax effect	3.7	3.9	5.3
Foreign earnings taxed at lower rates than the statutory U.S. rate	(0.5)	(0.5)	(0.4)
Tax credits	(4.4)	(0.1)	—
Impairment of assets	2.7	—	4.0
Deferred tax adjustments	(1.9)	(0.1)	0.1
Other	(1.6)	(0.3)	(0.2)
Effective rate	19.0 %	23.9 %	29.8 %

(Dollars and shares in millions, except per share data)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	December 31, 2022	December 31, 2021
Deferred tax assets:		
Accounts receivable	$ 22.5	$ 22.3
Employee compensation and benefits	114.2	145.2
Operating lease liability	189.4	176.3
Acquisition and restructuring reserves	10.3	19.1
Capitalized R&D costs	54.4	—
Tax loss carryforwards	242.6	184.5
Other	116.4	92.7
Total gross deferred tax assets	749.8	640.1
Less: valuation allowance	(151.3)	(149.2)
Deferred tax assets, net of valuation allowance	$ 598.5	$ 490.9
Deferred tax liabilities:		
Right of use asset	$ (172.7)	$ (166.9)
Intangible assets	(811.1)	(823.8)
Property, plant and equipment	(188.0)	(143.9)
Other	(87.9)	(47.6)
Total gross deferred tax liabilities	$ (1,259.7)	$ (1,182.2)
Net deferred tax liabilities	$ (661.2)	$ (691.3)

The table below provides a rollforward of the valuation allowance:

	December 31, 2022	December 31, 2021	December 31, 2020
Beginning balance	$ 149.2	$ 167.6	$ 145.4
Additions charged to expense	10.2	6.8	5.8
Reductions and other adjustments	(8.1)	(25.2)	16.4
Ending balance	$ 151.3	$ 149.2	$ 167.6

The Company has U.S. federal tax loss carryforwards of approximately $161.5, which expire periodically through 2037, as well as post-2017 carryforwards of $202.7 that are limited to 80% of taxable income and have an indefinite carryforward period. The utilization of tax loss carryforwards is limited due to change of ownership rules; however, at this time, the Company expects to fully utilize substantially all U.S. federal tax loss carryforwards with the exception of approximately $6.5 for which a full valuation allowance has been provided. The Company has U.S. state tax loss carryforwards of $485.5, a portion of which expire annually, and on which a valuation allowance of $340.0 has been provided. In addition to federal and state tax loss carryforwards, the Company has other federal and state attribute carryforwards of $129.6. A portion of these attribute carryforwards will expire through 2027 and have a valuation allowance of $88.1 while the remainder have indefinite carryforward periods. The Company has foreign tax loss carryforwards of $115.7, the majority of which have indefinite carryforward periods, but a valuation allowance of $20.3 has been provided for jurisdictions where the future tax benefits of the attributes are not more likely than not to be realized. Additionally, the Company has foreign tax loss carryforwards of $444.2 which expire periodically through 2034 that have a full valuation allowance. In addition to the foreign net operating losses, the Company has a foreign capital loss carryforward of $26.6 with an indefinite carryforward period and a full valuation allowance.

The valuation allowance increased from $149.2 in 2021 to $151.3 in 2022 primarily due to the establishment of valuation allowances related to acquired attributes and U.K. losses, offset by the partial release of the valuation allowance on U.S. capital losses.

Unrecognized income tax benefits were $44.0 and $52.4 at December 31, 2022, and 2021, respectively. It is anticipated that the amount of the unrecognized income tax benefits will decrease by $10.6 within the next 12 months due to statute of limitation lapses and anticipated audit settlements; however, these changes are not expected to have a significant impact on the results of operations, cash flows or the financial position of the Company.

The Company recognizes interest and penalties related to unrecognized income tax benefits in income tax expense. Accrued interest and penalties related to uncertain tax positions totaled $4.7 and $6.5 as of December 31, 2022, and 2021, respectively. During the years ended December 31, 2022, 2021 and 2020, the Company recognized $1.6, $1.6 and $4.4, respectively, in

(Dollars and shares in millions, except per share data)

interest and penalties expense, which was offset by a benefit from reversing previous accruals for interest and penalties of $3.3, $3.4 and $3.0, respectively.

The following table shows a reconciliation of the unrecognized income tax benefits, excluding interest and penalties, from uncertain tax positions for the years ended December 31, 2022, 2021 and 2020:

	2022	2021	2020
Balance as of January 1	$ 52.4	$ 48.8	$ 31.7
Increase in reserve for tax positions taken in the current year	12.4	31.1	17.3
Increase in reserve from an acquisition's opening balance sheet	—	—	8.2
Decrease in reserve as a result of payments	(13.5)	(7.1)	(0.3)
Decrease in reserve as a result of lapses in the statute of limitations	(7.3)	(20.4)	(8.1)
Balance as of December 31	$ 44.0	$ 52.4	$ 48.8

Also included in the balance of unrecognized tax benefits as of December 31, 2022, 2021 and 2020, are $0.0, $0.9 and $2.1, respectively, of tax benefits that, if recognized, would result in adjustments to other tax accounts, primarily deferred taxes. As of December 31, 2022, 2021 and 2020 there are $44.0, $51.5 and $46.7, respectively, of tax benefits that, if recognized, would favorably impact the effective income tax rate.

The Company has substantially concluded all U.S. federal income tax matters for years through 2018 and is currently under IRS examination for tax years 2019 and 2020. Substantially all material state and local and foreign income tax matters have been concluded through 2015 and 2012, respectively. The Company has various state and foreign income tax examinations ongoing throughout the year. The Company believes adequate provisions have been recorded related to all open tax years.

As a result of the Tax Cuts and Jobs Act (TCJA), the Company was effectively taxed on all of its previously unremitted foreign earnings. The TCJA also enacts a territorial tax system that allows, for the most part, tax-free repatriation of foreign earnings. The Company still considers the earnings of its foreign subsidiaries to be permanently reinvested, but, if repatriation were to occur, the Company would be required to accrue U.S. taxes, if any, and remit applicable withholding taxes as appropriate. The Company has unremitted earnings and profits of $1,726.3 and $1,291.8 that are permanently reinvested in its foreign subsidiaries as of December 31, 2022, and 2021, respectively. A determination of the amount of the unrecognized deferred tax liability related to these undistributed earnings is not practicable due to the complexity and variety of assumptions necessary based on the manner in which the undistributed earnings would be repatriated.

13. STOCK COMPENSATION PLANS

Stock Incentive Plans

In 2016, the shareholders approved the Laboratory Corporation of America Holdings 2016 Omnibus Incentive Plan (the Plan). Under the Plan, as of December 31, 2022, there are 8.6 shares authorized for issuance and 3.6 shares available for grant.

Stock Options

The following table summarizes grants of non-qualified options made by the Company to officers, key employees, and non-employee directors under all plans. Stock options are generally granted at an exercise price equal to or greater than the fair market price per share on the date of grant. Also, for each grant, options vest ratably over a period of three years on the anniversaries of the grant date, and have a contractual exercise period of 10 years subject to their earlier expiration or termination.

Changes in options outstanding under the plans for the period indicated were as follows:

	Number of Options	Weighted-Average Exercise Price per Option	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at December 31, 2021	0.5	169.03		
Granted	0.1	276.26		
Exercised	(0.1)	118.99		
Canceled	—	—		
Outstanding at December 31, 2022	0.5	188.84	6.7	$ 25.9
Exercisable at December 31, 2022	0.3	168.69	6.1	$ 23.3

(Dollars and shares in millions, except per share data)

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value (the difference between the Company's closing stock price on the last trading day of 2022 and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders had all option holders exercised their options on December 31, 2022.

Cash received by the Company from option exercises, the actual tax benefit realized for the tax deductions and the aggregate intrinsic value of options exercised from option exercises under all share-based payment arrangements during the years ended December 31, 2022, 2021, and 2020 were as follows:

	2022	2021	2020
Cash received by the Company	$ 7.1	$ 6.8	$ 17.5
Tax benefits realized	$ 1.8	$ 1.7	$ 4.6
Aggregate intrinsic value	$ 8.2	$ 13.4	$ 18.5

The following table shows the weighted average grant-date fair values of options issued during the respective year and the weighted average assumptions that the Company used to develop the fair value estimates:

	2022	2021	2020
Fair value per option	$ 76.23	$ 62.18	$ 40.06
Weighted average expected life (in years)	6.0	6.0	6.0
Risk free interest rate	2.0 %	0.6 %	1.5 %
Expected volatility	28.6 %	28.6 %	20.3 %
Expected dividend yield	0.85 %	N/A	N/A

The Black Scholes model incorporates assumptions to value stock-based awards. The risk-free interest rate for periods within the contractual life of the option is based on a zero-coupon U.S. government instrument over the contractual term of the equity instrument. Expected volatility of the Company's stock is based on historical volatility of the Company's stock. The Company estimates expected option terms through an analysis of actual, historical post-vesting exercise, cancellation and expiration behavior by employees and projected post-vesting activity of outstanding options. Groups of employees and non-employee directors that have similar exercise behavior with regard to option exercise timing and forfeiture rates are considered separately for valuation purposes. For 2022, 2021 and 2020, expense related to the Company's stock option plan totaled $4.3, $3.6 and $3.4, respectively, and is included in selling, general and administrative expenses.

Restricted Stock, Restricted Stock Units and Performance Shares

The Company grants restricted stock, restricted stock units, and performance shares (non-vested shares) to officers and key employees and grants restricted stock and restricted stock units to non-employee directors. Restricted stock and units typically vest annually in equal one-third increments beginning on the first anniversary of the grant. A performance share grant in 2020 represents a three-year award opportunity for the period 2020-2022, and if earned, vests fully (to the extent earned) in the first quarter of 2023. A performance share grant in 2021 represents a three-year award opportunity for the period of 2021-2023 and, if earned, vests fully (to the extent earned) in the first quarter of 2024. A performance share grant in 2022 represents a three-year award opportunity for the period of 2022-2024 and, if earned, vests fully (to the extent earned) in the first quarter of 2025. Performance share awards are subject to certain earnings per share, revenue, and total shareholder return targets, the achievement of which may increase or decrease the number of shares which the grantee earns and therefore receives upon vesting. Unearned restricted stock and performance share compensation is amortized to expense, when probable, over the applicable vesting periods. For 2022, 2021, and 2020, total restricted stock, restricted stock unit, and performance share compensation expense was $125.0, $135.4 and $98.1, respectively.

(Dollars and shares in millions, except per share data)

The following table shows a summary of non-vested shares for the year ended December 31, 2022:

	Number of Shares	Weighted-Average Grant Date Fair Value
Non-vested at January 1, 2022	1.2	$ 212.83
Granted	0.6	270.84
Vested	(0.6)	177.47
Canceled	(0.1)	252.54
Non-vested at December 31, 2022	1.1	$ 254.82

Unrecognized Compensation Cost

As of December 31, 2022, there was $155.3 of total unrecognized compensation cost related to non-vested stock options, restricted stock, restricted stock unit and performance share-based compensation arrangements granted under the Company's stock incentive plans. That cost is expected to be recognized over a weighted average period of 1.9 years and will be included in cost of revenues and selling, general and administrative expenses.

Employee Stock Purchase Plan

Under the 2016 Employee Stock Purchase Plan, the Company is authorized to issue 1.8 shares of common stock. The plan permits substantially all U.S. and Canada employees to purchase a limited number of shares of Company stock at 85% of market value. The Company issues shares to participating employees semi-annually in January and July of each year. Approximately 0.2, 0.2 and 0.3 shares were purchased by eligible employees in 2022, 2021 and 2020, respectively. For 2022, 2021 and 2020, expense related to the Company’s employee stock purchase plan was $14.8, $14.6 and $10.3, respectively.

The Company uses the Black-Scholes model to calculate the fair value of the employee’s purchase right. The fair value of the employee’s purchase right and the assumptions used in its calculation are as follows:

	2022	2021	2020
Fair value of the employee’s purchase right	$ 62.50	$ 59.89	$ 35.49
Valuation assumptions			
Risk free interest rate	1.3%	0.1%	0.1%
Expected volatility	0.3	0.3	0.3
Expected dividend yield	0.9%	—%	—%

14. COMMITMENTS AND CONTINGENCIES

The Company is involved from time to time in various claims and legal actions, including arbitrations, class actions, and other litigation (including those described in more detail below), arising in the ordinary course of business. Some of these actions involve claims that are substantial in amount. These matters include, but are not limited to, intellectual property disputes, commercial and contract disputes, professional liability claims, employee-related matters, transaction related disputes, securities and corporate law matters, and inquiries, including subpoenas and other civil investigative demands, from governmental agencies, Medicare or Medicaid payers and MCOs reviewing billing practices or requesting comment on allegations of billing irregularities that are brought to their attention through billing audits or third parties. The Company receives civil investigative demands or other inquiries from various governmental bodies in the ordinary course of its business. Such inquiries can relate to the Company or other parties, including physicians and other health care providers. The Company works cooperatively to respond to appropriate requests for information.

The Company also is named from time to time in suits brought under the *qui tam* provisions of the False Claims Act and comparable state laws. These suits typically allege that the Company has made false statements and/or certifications in connection with claims for payment from U.S. federal or state healthcare programs. The suits may remain under seal (hence, unknown to the Company) for some time while the government decides whether to intervene on behalf of the *qui tam* plaintiff. Such claims are an inevitable part of doing business in the healthcare field today.

The Company believes that it is in compliance in all material respects with all statutes, regulations, and other requirements applicable to its commercial laboratory operations and drug development support services. The healthcare diagnostics and drug development industries are, however, subject to extensive regulation, and the courts have not interpreted many of the applicable statutes and regulations. Therefore, the applicable statutes and regulations could be interpreted or applied by a prosecutorial, regulatory, or judicial authority in a manner that would adversely affect the Company. Potential sanctions for violation of these

statutes and regulations include significant civil and criminal penalties, fines, the loss of various licenses, certificates and authorizations, additional liabilities from third-party claims, and/or exclusion from participation in government programs.

Many of the current claims and legal actions against the Company are in preliminary stages, and many of these cases seek an indeterminate amount of damages. The Company records an aggregate legal reserve, which is determined using calculations based on historical loss rates and assessment of trends experienced in settlements and defense costs. In accordance with FASB Accounting Standards Codification Topic 450 “Contingencies,” the Company establishes reserves for judicial, regulatory, and arbitration matters outside the aggregate legal reserve if and when those matters present loss contingencies that are both probable and estimable and would exceed the aggregate legal reserve. When loss contingencies are not both probable and estimable, the Company does not establish separate reserves.

The Company is unable to estimate a range of reasonably probable loss for the proceedings described in more detail below in which damages either have not been specified or, in the Company's judgment, are unsupported and/or exaggerated and (i) the proceedings are in early stages, (ii) there is uncertainty as to the outcome of pending appeals or motions, (iii) there are significant factual issues to be resolved, and/or (iv) there are novel legal issues to be presented. For these proceedings, however, the Company does not believe, based on currently available information, that the adverse outcomes are probable and estimable, and it does not believe they will have a material adverse effect on the Company's financial statements.

As previously reported, the Company responded to an October 2007 subpoena from the U.S. Department of Health & Human Services Office of Inspector General's regional office in New York. On August 17, 2011, the U.S. District Court for the Southern District of New York unsealed a False Claims Act lawsuit, *United States of America ex rel. NPT Associates v. Laboratory Corporation of America Holdings*, which alleges that the Company offered UnitedHealthcare kickbacks in the form of discounts in return for Medicare business. The Plaintiff's Third Amended Complaint further alleges that the Company's billing practices violated the False Claims Acts of 14 states and the District of Columbia. The lawsuit seeks actual and treble damages and civil penalties for each alleged false claim, as well as recovery of costs, attorney's fees, and legal expenses. The Company's Motion to Dismiss was granted in October 2014 and Plaintiff was granted the right to replead. On January 11, 2016, Plaintiff filed a motion requesting leave to file an amended complaint under seal and to vacate the briefing schedule for the Company's Motion to Dismiss, while the government reviewed the amended complaint. The Court granted the motion and vacated the briefing dates. Plaintiff then filed the Amended Complaint under seal. On August 24, 2021, the U.S. government filed a notice indicating that it did not intend to intervene in the matter. On October 27, 2021, the Fourth Amended Complaint was unsealed. The Fourth Amended Complaint is similar to the Third Amended Complaint in that it alleges that the Company offered UnitedHealthcare kickbacks in the form of discounts in return for Medicare and Medicaid business, and it further alleges that the Company unlawfully charged Medicare amounts substantially in excess of its alleged usual charges. Similar to the Third Amended Complaint, the Fourth Amended Complaint alleges violations of the federal False Claims Act and the False Claims Act of 14 states and the District of Columbia. On February 3, 2022, the Company filed a Motion to Dismiss all claims. On August 29, 2022, the Court entered an order granting the Motion to Dismiss and declining to exercise supplemental jurisdiction over the state law claims. Plaintiff did not appeal the Court's order.

In addition, the Company has received various other subpoenas since 2007 related to Medicaid billing. In October 2009, the Company received a subpoena from the State of Michigan Department of Attorney General seeking documents related to its billing to Michigan Medicaid. The Company cooperated with this request. In October 2013, the Company received a Civil Investigative Demand from the State of Texas Office of the Attorney General requesting documents related to its billing to Texas Medicaid. The Company cooperated with this request. On October 5, 2018, the Company received a second Civil Investigative Demand from the State of Texas Office of the Attorney General requesting documents related to its billing to Texas Medicaid. The Company cooperated with this request. On January 26, 2021, the Company was notified that a qui tam Petition was pending under seal in the District Court, 250th Judicial District, Travis County, Texas, and that the State of Texas has intervened. On April 14, 2021, the Petition was unsealed. The Petition alleges that the Company submitted claims for reimbursement to Texas Medicaid that were higher than permitted under Texas Medicaid’s alleged “best price” regulations, and that the Company offered remuneration to Texas health care providers in the form of discounted pricing for certain laboratory testing services in exchange for the providers’ referral of Texas Medicaid business to the Company. The Petition seeks actual and double damages and civil penalties, as well as recovery of costs, attorney's fees, and legal expenses. On August 1, 2022, the District Court entered an order granting the Company's Motion for Partial Summary Judgment with respect to the claim that the Company submitted claims for reimbursement to Texas Medicaid that were higher than permitted under Texas Medicaid's alleged “best price” regulations. Plaintiffs filed a Notice of Non-Suit and Motion for Entry of Final Judgment and, on November 11, 2022, the Court entered a Judgment. Plaintiffs filed a Notice of Appeal with respect to the Court's order granting the Company's Motion for Partial Summary Judgment, referenced above. The Company will vigorously defend the lawsuit.

On August 31, 2015, the Company was served with a putative class action lawsuit, *Patty Davis v. Laboratory Corporation of America, et al.*, filed in the Circuit Court of the Thirteenth Judicial Circuit for Hillsborough County, Florida. The complaint alleges that the Company violated the Florida Consumer Collection Practices Act by billing patients who were collecting benefits under the Workers' Compensation Statutes. The lawsuit seeks injunctive relief and actual and statutory damages, as well as recovery of attorney's fees and legal expenses. In April 2017, the Circuit Court granted the Company's Motion for Judgment on the Pleadings. The Plaintiff appealed the Circuit Court's ruling to the Florida Second District Court of Appeal. On October 16, 2019, the Florida Second District Court of Appeal reversed the Circuit Court's dismissal, but certified a controlling issue of Florida law to the Florida Supreme Court. On February 17, 2020, the Florida Supreme Court accepted jurisdiction of the lawsuit. The Court held oral arguments on December 9, 2020. On May 26, 2022, the Florida Supreme Court issued an opinion approving the result of the Florida Second District Court of Appeal in favor of the Plaintiff. The Company will vigorously defend the lawsuit.

In December 2014, the Company received a Civil Investigative Demand issued pursuant to the U.S. False Claims Act from the U.S. Attorney's Office for South Carolina, which requested information regarding alleged remuneration and services provided by the Company to physicians who also received draw and processing/handling fees from competitor laboratories Health Diagnostic Laboratory, Inc. (HDL) and Singulex, Inc. (Singulex). The Company cooperated with the request. On April 4, 2018, the U.S. District Court for the District of South Carolina, Beaufort Division, unsealed a False Claims Act lawsuit, *United States of America ex rel. Scarlett Lutz, et al. v. Laboratory Corporation of America Holdings*, which alleges that the Company's financial relationships with referring physicians violate federal and state anti-kickback statutes. The Plaintiffs' Fourth Amended Complaint further alleges that the Company conspired with HDL and Singulex in violation of the Federal False Claims Act and the California and Illinois insurance fraud prevention acts by facilitating HDL's and Singulex's offers of illegal inducements to physicians and the referral of patients to HDL and Singulex for laboratory testing. The lawsuit seeks actual and treble damages and civil penalties for each alleged false claim, as well as recovery of costs, attorney's fees, and legal expenses. Neither the U.S. government nor any state government has intervened in the lawsuit. The Company filed a Motion to Dismiss seeking the dismissal of the claims asserted under the California and Illinois insurance fraud prevention statutes, the conspiracy claim, the reverse False Claims Act claim, and all claims based on the theory that the Company performed medically unnecessary testing. On January 16, 2019, the Court entered an order granting in part and denying in part the Motion to Dismiss. The Court dismissed the Plaintiffs' claims based on the theory that the Company performed medically unnecessary testing, the claims asserted under the California and Illinois insurance fraud prevention statutes, and the reverse False Claims Act claim. The Court denied the Motion to Dismiss as to the conspiracy claim. On March 12, 2021, the Company filed a Motion for Summary Judgment related to all remaining claims. On June 16, 2021, the Court denied the Company's Motion for Summary Judgment. In December 2022, the parties reached a settlement to resolve the lawsuit.

On March 10, 2017, the Company was served with a putative class action lawsuit, *Victoria Bouffard, et al. v. Laboratory Corporation of America Holdings*, filed in the U.S. District Court for the Middle District of North Carolina. The complaint alleges that the Company's patient list prices unlawfully exceed the rates negotiated for the same services with private and public health insurers in violation of various state consumer protection laws. The lawsuit also alleges breach of implied contract or quasi-contract, unjust enrichment, and fraud. The lawsuit seeks statutory, exemplary, and punitive damages, injunctive relief, and recovery of attorney's fees and costs. In May 2017, the Company filed a Motion to Dismiss Plaintiffs' Complaint and Strike Class Allegations; the Motion to Dismiss was granted in March 2018 without prejudice. On October 10, 2017, a second putative class action lawsuit, *Sheryl Anderson, et al. v. Laboratory Corporation of America Holdings*, was filed in the U.S. District Court for the Middle District of North Carolina. The complaint contained similar allegations and sought similar relief to the *Bouffard* complaint, and added additional counts regarding state consumer protection laws. On August 10, 2018, the Plaintiffs filed an Amended Complaint, which consolidated the *Bouffard* and *Anderson* actions. On September 10, 2018, the Company filed a Motion to Dismiss Plaintiffs' Amended Complaint and Strike Class Allegations. On August 16, 2019, the Court entered an order granting in part and denying in part the Motion to Dismiss the Amended Complaint, and denying the Motion to Strike the Class Allegations. On August 26, 2021, Plaintiffs filed a Motion for Class Certification. On February 13, 2023, the Court entered an order denying Plaintiffs' Motion for Class Certification. On December 29, 2021, a related lawsuit, *Nathaniel J. Nolan, et al. v. Laboratory Corporation of America Holdings*, was filed in the U.S. District Court for the Middle District of North Carolina. The complaint alleges that the Company's patient acknowledgement of estimated financial responsibility form is misleading. The lawsuit seeks a declaratory judgment under the consumer protection laws of Nevada and Florida that the form is materially misleading and deceptive, an injunction barring the use of the form, damages on behalf of an alleged class, and attorney's fees and expenses. On February 28, 2022, the Company filed a Motion to Dismiss all claims. On February 13, 2023, the Court entered an order granting the Company's Motion to Dismiss. The Company will vigorously defend the lawsuits.

On April 1, 2019, Covance Research Products was served with a Grand Jury Subpoena issued by the Department of Justice (DOJ) in Miami, Florida requiring the production of documents related to the importation into the United States of live non-

human primate shipments originating from or transiting through China, Cambodia, and/or Vietnam from April 1, 2014 through March 28, 2019. The Company is cooperating with the DOJ.

On May 14, 2019, Retrieval-Masters Creditors Bureau, Inc. d/b/a American Medical Collection Agency (AMCA), an external collection agency, notified the Company about a security incident AMCA experienced that may have involved certain personal information about some of the Company's patients (the AMCA Incident). The Company referred patient balances to AMCA only when direct collection efforts were unsuccessful. The Company's systems were not impacted by the AMCA Incident. Upon learning of the AMCA Incident, the Company promptly stopped sending new collection requests to AMCA and stopped AMCA from continuing to work on any pending collection requests from the Company. AMCA informed the Company that it appeared that an unauthorized user had access to AMCA's system between August 1, 2018, and March 30, 2019, and that AMCA could not rule out the possibility that personal information on AMCA's system was at risk during that time period. Information on AMCA's affected system from the Company may have included name, address, and balance information for the patient and person responsible for payment, along with the patient's phone number, date of birth, referring physician, and date of service. The Company was later informed by AMCA that health insurance information may have been included for some individuals, and because some insurance carriers utilize the Social Security Number as a subscriber identification number, the Social Security Number for some individuals may also have been affected. No ordered tests, laboratory test results, or diagnostic information from the Company were in the AMCA affected system. The Company notified individuals for whom it had a valid mailing address. For the individuals whose Social Security Number was affected, the notice included an offer to enroll in credit monitoring and identity protection services that was provided free of charge for 24 months.

Twenty-three putative class action lawsuits were filed against the Company related to the AMCA Incident in various U.S. District Courts. Numerous similar lawsuits have been filed against other health care providers who used AMCA. These lawsuits were consolidated into a multidistrict litigation in the District of New Jersey. On November 15, 2019, the Plaintiffs filed a Consolidated Class Action Complaint in the U.S. District Court of New Jersey. On January 22, 2020, the Company filed Motions to Dismiss all claims. The consolidated Complaint generally alleged that the Company did not adequately protect its patients' data and failed to timely notify those patients of the AMCA Incident. The Complaint asserted various causes of action, including but not limited to negligence, breach of implied contract, unjust enrichment, and the violation of state data protection statutes. The Complaint sought damages on behalf of a class of all affected Company customers. On December 16, 2021, the Court granted in part and denied in part the Company's Motion to Dismiss. On March 31, 2022, the Plaintiffs filed an Amended Complaint alleging claims for negligence, negligence *per se*, breach of confidence, invasion of privacy, and various state statutory claims, including a claim under the California Confidentiality of Medical Information Act. The Company filed a Motion to Dismiss certain claims of the Amended Complaint. The Company will vigorously defend the remaining claims in the multi-district litigation.

The Company was served with a shareholder derivative lawsuit, *Raymond Eugenio, Derivatively on Behalf of Nominal Defendant, Laboratory Corporation of America Holdings v. Lance Berberian, et al.*, filed in the Court of Chancery of the State of Delaware on April 23, 2020. The complaint asserts derivative claims on the Company's behalf against the Company's board of directors and certain executive officers. The complaint generally alleges that the defendants failed to ensure that the Company utilized proper cybersecurity safeguards and failed to implement a sufficient response to data security incidents, including the AMCA Incident. The complaint asserts derivative claims for breach of fiduciary duty and seeks relief including damages, certain disclosures, and certain changes to the Company's internal governance practices. On June 2, 2020, the Company filed a Motion to Stay the lawsuit due to its overlap with the multi-district litigation referenced above. On July 2, 2020, the Company filed a Motion to Dismiss. On July 14, 2020, the Court entered an order staying the lawsuit pending the resolution of the multi-district litigation. The lawsuit will be vigorously defended.

Certain governmental entities have requested information from the Company related to the AMCA Incident. The Company received a request for information from the Office for Civil Rights (OCR) of the Department of Health and Human Services. On April 28, 2020, OCR notified the Company of the closure of its inquiry. The Company has also received requests from a multi-state group of state Attorneys General and is cooperating with these requests for information.

On January 31, 2020, the Company was served with a putative class action lawsuit, *Luke Davis and Julian Vargas, et al. v. Laboratory Corporation of America Holdings*, filed in the U.S. District Court for the Central District of California. The lawsuit alleges that visually impaired patients are unable to use the Company's touchscreen kiosks at Company patient service centers in violation of the Americans with Disabilities Act and similar California statutes. The lawsuit seeks statutory damages, injunctive relief, and attorney's fees and costs. On March 20, 2020, the Company filed a Motion to Dismiss Plaintiffs' Complaint and to Strike Class Allegations. In August 2020, the Plaintiffs filed an Amended Complaint. On April 26, 2021, the Plaintiffs and the Company each filed Motions for Summary Judgment and the Plaintiffs filed a Motion for Class Certification. On May 23, 2022, the Court entered an order granting Plaintiffs' Motion for Class Certification. On June 6, 2022, the Company

filed a Petition for Permission to Appeal the Order Granting Class Certification with the Ninth Circuit Court of Appeals. On September 22, 2022, the Ninth Circuit Court of Appeals granted the Company's Petition for Permission to Appeal the Order Granting Class Certification. The Company will vigorously defend the lawsuit.

On October 16, 2020, Ravgen Inc. filed a patent infringement lawsuit, *Ravgen Inc. v. Laboratory Corporation of America Holdings*, in the U.S. District Court for the Western District of Texas, alleging infringement of two Ravgen-owned U.S. patents. The lawsuit seeks monetary damages, enhancement of those damages for willfulness, and recovery of attorney's fees and costs. On September 28, 2022, a jury rendered a verdict in favor of the Plaintiff on the remaining patent at issue, finding that the Company willfully infringed Ravgen's patent, and awarded damages of $272 million. Plaintiff has filed post-trial motions seeking enhanced damages of up to $817 million based on the finding of willfulness, as well as attorney's fees and costs. The Company strongly disagrees with the verdict, based on a number of legal factors, and will vigorously defend the lawsuit through the appeal process. On June 4, 2021, the Company also instituted proceedings before the Patent Trial and Appeal Board of the U.S. Patent and Trademark Office challenging the validity of the Ravgen patent at issue in the trial. In November 2022, the Patent Trial and Appeal Board issued a decision upholding the validity of the Ravgen patent, and the Company has filed an appeal of this decision.

On May 14, 2020, the Company was served with a putative class action lawsuit, *Jose Bermejo v. Laboratory Corporation of America (Bermejo I)* filed in the Superior Court of California, County of Los Angeles Central District, alleging that certain non-exempt California-based employees were not properly compensated for driving time or properly paid wages upon termination of employment. The Plaintiff asserts these actions violate various California Labor Code provisions and Section 17200 of the Business and Professional Code. The lawsuit seeks monetary damages, civil penalties, and recovery of attorney's fees and costs. On June 15, 2020, the lawsuit was removed to the U.S. District Court for the Central District of California. On June 16, 2020, the Company was served with a Private Attorney General Act lawsuit by the same plaintiff in *Jose Bermejo v. Laboratory Corporation of America (Bermejo II)*, filed in the Superior Court of California, County of Los Angeles Central District, alleging that certain Company practices violated California Labor Code penalty provisions related to unpaid and minimum wages, unpaid overtime, unpaid mean and rest break premiums, untimely payment of wages following separation of employment, failure to maintain accurate pay records, and non-reimbursement of business expenses. The second lawsuit seeks to recover civil penalties and recovery of attorney's fees and costs. On October 28, 2020, the court issued an order staying proceedings in *Bermejo II* pending resolution of *Bermejo I*. The second lawsuit seeks to recover civil penalties and recovery of attorney's fees and costs. On February 24, 2022, the parties entered into a Memorandum of Understanding of the terms of a settlement of the *Bermejo I* and *Bermejo II* lawsuits, subject to court approval. If approved, the settlement will also resolve the *Becker* and *Poole* lawsuits discussed below.

On June 14, 2021, a single plaintiff filed a Private Attorney General Act lawsuit, *Becker v. Laboratory Corporation of America*, in the Superior Court of California, County of Orange, alleging various violations of the California Labor Code, including that the Plaintiff was not properly compensated for work and overtime hours, not properly paid meal and rest break premiums, not reimbursed for certain business-related expenses, and received inaccurate wage statements. The lawsuit seeks monetary damages, civil penalties, and recovery of attorney's fees and costs. A settlement of the *Bermejo I* and *Bermejo II* lawsuits, if approved by the court, will resolve the *Becker* lawsuit.

On November 23, 2021, the Company was served with a single plaintiff Private Attorney General Act lawsuit, *Poole v. Laboratory Corporation of America*, filed in the Superior Court of California, County of Kern, alleging various violations of the California Labor Code, including that Plaintiff was not properly paid wages owed, not properly paid meal and rest break premiums, not reimbursed for certain business related expenses, and other allegations including the untimely payment of wages and receipt of inaccurate wage statements. The lawsuit seeks monetary damages, civil penalties, and recovery of attorney's fees and costs. The case was removed to the U.S. District Court for the Eastern District of California. A settlement of the *Bermejo I* and *Bermejo II* lawsuits, if approved by the court, will resolve the *Poole* lawsuit.

On October 5, 2020, the Company was served with a putative class action lawsuit, *Williams v. LabCorp Employer Services, Inc. et al.*, filed in the Superior Court of California, County of Los Angeles, alleging that certain non-exempt California-based employees were not properly compensated for work and overtime hours, not properly paid meal and rest break premiums, not reimbursed for certain business-related expenses, not properly paid for driving or wait times, and received inaccurate wage statements. The Plaintiff also asserts claims for unfair competition under Section 17200 of the Business and Professional Code. On November 4, 2020, the lawsuit was removed to the U.S. District Court for the Central District of California. The lawsuit seeks monetary damages, liquidated damages, civil penalties, and recovery of attorney's fees and costs. On June 24, 2021, the District Court remanded the case to the Superior Court of California, County of Los Angeles on the grounds that potential damages did not meet the Class Action Fairness Act (CAFA), 28 U.S.C. § 1332(d), jurisdictional threshold. The parties entered into a settlement agreement dated September 9, 2022, which is pending court approval.

(Dollars and shares in millions, except per share data)

On August 14, 2020, the Company was served with a Subpoena Duces Tecum issued by the State of Colorado Office of the Attorney General requiring the production of documents related to urine drug testing in all states. The Company is cooperating with this request.

On February 7, 2022, the Company was served with a Subpoena Duces Tecum issued by the DOJ in Camden, New Jersey requiring the production of documents related to non-invasive prenatal screening tests. The Company is cooperating with the DOJ.

On June 27, 2022, the Company was served with a Subpoena Duces Tecum issued by the DOJ in Boston, Massachusetts requiring the production of documents related to urine drug testing. The Company is cooperating with the DOJ.

There are various other pending legal proceedings involving the Company including, but not limited to, additional employment-related lawsuits, professional liability lawsuits, and commercial lawsuits. While it is not feasible to predict the outcome of such proceedings, in the opinion of the Company, the likelihood of loss is remote and any reasonably possible loss associated with the resolution of such proceedings is not expected to be material to the Company's financial condition, results of operations, or cash flows, either individually or in the aggregate.

Under the Company's present insurance programs, coverage is obtained for catastrophic exposure as well as those risks required to be insured by law or contract. The Company is responsible for the uninsured portion of losses related primarily to general, professional and vehicle liability, certain medical costs and workers' compensation. The self-insured retentions are on a per-occurrence basis without any aggregate annual limit. Provisions for losses expected under these programs are recorded based upon the Company's estimates of the aggregated liability of claims incurred.

15. PENSION AND POSTRETIREMENT PLANS

Defined Contribution Retirement Plans

The Company has various U.S. defined contribution retirement plans (401K Plans). Under these 401K Plans, employees can contribute a portion of their salary to the plan and the Company makes minimum non-elective contributions, discretionary contributions, and matching contributions, depending on the terms of the specific plan. On January 1, 2021, all of the 401K Plans were modified to provide for 100% match of employee contributions up to 5% of their salary. Total expense, for the years ended December 31, 2022, 2021, and 2020, was $183.1, $168.9 and $141.8, respectively.

Defined Benefit Pension Plans

The Company sponsors both funded and unfunded defined benefit pension plans which provide benefits based on various criteria such as years of service and salary. The Company maintained two plans in the United States, three plans in the United Kingdom and one in Germany.

The two plans in the United States (U.S. Plans) were closed to new entrants and the accrual of service credits at the end of 2009. The U.K. pension plans were closed to new entrants and the accrual of service credits for one plan as of December 31, 2002, and the accrual of service credits for the other two plans as of December 31, 2019. The German plan was closed to new entrants on December 31, 2009 but participants continue to accrue service credits. The U.K. and German plans are aggregated for disclosure as the Non-U.S. Plans.

Net Periodic Benefit Costs

The components of the net periodic benefit costs for the defined benefit pension plans are as follows:

	U. S. Plans			Non-U.S. Plans		
	Year ended December 31,					
	2022	2021	2020	2022	2021	2020
Service cost for benefits earned	$ 2.8	$ 3.9	$ 5.1	2.6	2.4	2.
Interest cost on benefit obligation	9.1	8.3	11.1	10.1	8.1	10.
Expected return on plan assets	(12.9)	(17.3)	(14.9)	(18.0)	(16.3)	(16.
Net amortization and deferral	4.6	10.0	9.7	0.9	2.1	0.
Expected participant contributions	—	—	—	—	—	(0.
Settlements	4.1	3.7	—	(1.1)	—	—
Defined-benefit plan costs	$ 7.7	$ 8.6	$ 11.0	(5.5)	(3.7)	(3.

(Dollars and shares in millions, except per share data)

Service costs are the only component of net periodic benefit costs recorded within Operating income. For the year ended December 31, 2022, the Company recognized a partial plan settlement charge of $3.0 as a component of Other, net.

The amounts recognized in accumulated other comprehensive earnings are as follows:

	U. S. Plans		Non-U.S. Plans	
	Year ended December 31,			
	2022	2021	2022	2021
Net actuarial loss in accumulated other comprehensive earnings	$ 60.9	$ 66.9	$ 22.0	$ 58.8

Change in Projected Benefit Obligation

The change in the projected benefit obligation as of December 31, 2022, and December 31, 2021, is as follows:

	U.S. Plans		Non-U.S. Plans	
	Year Ended December 31,			
	2022	2021	2022	2021
Balance at beginning of the year	$ 333.3	$ 369.8	$ 633.8	$ 690.1
Service cost	2.8	3.9	2.6	2.4
Interest cost	9.1	8.3	10.1	8.1
Actuarial (gain) loss	(58.4)	(18.0)	(212.0)	(34.7)
Benefits and administrative expenses paid	(27.3)	(30.7)	(21.5)	(22.2)
Foreign currency exchange rate changes	—	—	(60.4)	(9.9)
Balance at end of the year	$ 259.5	$ 333.3	$ 352.6	$ 633.8

The accumulated benefit obligation as of December 31, 2022 and 2021 was $259.5 and $333.3, respectively for the U.S. Plans and $352.6 and $633.8, respectively for the Non-U.S. Plans.

Change in Fair Value of Plan Assets

The change in plan assets as of December 31, 2022, and December 31, 2021, is as follows:

	U.S. Plans		Non-U.S. Plans	
	Year Ended December 31,			
	2022	2021	2022	2021
Balances at beginning of the year	$ 299.9	$ 300.9	$ 544.6	$ 535.6
Company contributions	—	—	15.7	14.3
Actual return on plan assets	(48.2)	27.5	(157.5)	22.3
Benefits and administrative expenses paid	(24.9)	(28.5)	(16.9)	(21.7)
Foreign currency exchange rate changes	—	—	(54.0)	(5.9)
Fair value of plan assets at end of year	$ 226.8	$ 299.9	$ 331.9	$ 544.6

Change in Funded Status and Reconciliation of Amounts Recorded in the Balance Sheet

The change in the funded status of the plan and a reconciliation of such funded status to the amounts reported in the consolidated balance sheet as of December 31, 2022, and December 31, 2021, is as follows:

	U.S. Plans		Non-U.S. Plans	
	Year Ended December 31,			
	2022	2021	2022	2021
Funded status	$ 32.7	$ 33.4	$ 20.7	$ 89.2
Recorded as:				
Other assets	$ 2.2	$ 13.4	$ 7.0	$ —
Accrued expenses and other	2.4	2.4	0.6	0.6
Other liabilities	32.5	44.4	27.1	88.6

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Assumptions

Weighted average assumptions used to determine net periodic benefit costs are as follows:

	U. S. Plans			Non-U.S. Plans		
	Year ended December 31,					
	2022	2021	2020	2022	2021	2020
Discount rate	2.8 %	2.4 %	3.3 %	2.1 %	1.1 %	1.7 %
Salary increases	N/A	N/A	N/A	2.0 %	2.0 %	3.1 %
Expected long term rate of return	4.5 %	6.0 %	6.0 %	3.7 %	3.1 %	3.5 %
Cash balance interest credit rate	4.0 %	4.0 %	4.0 %	N/A	N/A	N/A

A one percentage point decrease or increase in the discount rate would have resulted in a respective increase or decrease in 2022 retirement plan expense of $0.8 for the U.S. Plans. A one percentage point decrease or increase in the discount rate would have resulted in a respective increase or decrease in 2022 retirement plan expense of $2.8 for the Non-U.S. Plans.

Weighted average assumptions used to determine net periodic benefit obligations are as follows:

	U. S. Plans		Non-U.S. Plans	
	Year ended December 31,			
	2022	2021	2022	2021
Discount rate	5.5 %	2.8 %	4.8 %	1.8 %
Salary increases	N/A	N/A	2.0 %	2.0 %

The discount rate is determined using the weighted-average yields on high-quality fixed income securities that have maturities consistent with the timing of benefit payments. Lower discount rates increase the size of the benefit obligation and generally increase pension expense in the following year; higher discount rates reduce the size of the benefit obligation and generally reduce subsequent-year pension expense.

The expected return on plan assets is the estimated long-term rate of return that will be earned on the investments used to fund the pension obligations. To determine this rate, the Company considers the composition of plan investments, historical returns earned, and expectations about the future. Actual asset over/under performance compared to expected returns will respectively decrease/increase unrecognized loss. The change in the unrecognized loss will change amortization cost in upcoming periods. A one percentage point increase or decrease in the expected return on plan assets would have resulted in a corresponding change in 2022 pension expense of $3.0 for the U.S. Plans. A one percentage point increase or decrease in the expected return on plan assets would have resulted in a corresponding change in 2022 pension expense of $5.0 for the Non-U.S. Plans.

The salary increase assumptions are used to estimate the annual rate at which pay of plan participants will grow. If the rate of growth assumed increases, the size of the pension obligations will increase, as will the amount recorded in Accumulated other comprehensive income (loss) in the Company's Consolidated Statement of Financial Position and amortized into earnings in subsequent periods.

The Company evaluates other assumptions periodically, such as retirement age, mortality and turnover, and updates them as necessary to reflect the Company's actual experience and expectations for the future. Differences between actual results and assumptions utilized are recorded in Accumulated other comprehensive income each period. These differences are amortized into earnings over the remaining average future service of active participating employees or the expected life of inactive participants, as applicable.

(Dollars and shares in millions, except per share data)

Plan Assets

The fair values of the assets at December 31, 2022, and 2021, by asset category are as follows:

Asset Category	Level of Valuation Input	Fair Value	Investments valued using NAV per share	Total
U.S Plans				
Cash and cash equivalents	Level 1	$ 3.9	$ —	$ 3.9
U.S. equity index funds		—	39.6	39.6
International equity index funds		—	17.0	17.0
Real estate		—	5.0	5.0
General bond index funds		—	161.3	161.3
Total fair value		$ 3.9	$ 222.9	$ 226.8
Non U.S. Plans				
Cash and cash equivalents	Level 1	$ 3.4	$ —	$ 3.4
Annuities	Level 3	60.1	—	60.1
Pooled investment funds		—	268.4	268.4
Total fair value		$ 63.5	$ 268.4	$ 331.9

Asset Category	Level of Valuation Input	Fair Value	Investments valued using NAV per share	Total
U.S Plans				
Cash and cash equivalents	Level 1	$ 4.3	$ —	$ 4.3
U.S. equity index funds		—	52.5	52.5
International equity index funds		—	22.1	22.1
Real estate index fund		—	7.6	7.6
General bond index funds		—	213.4	213.4
Total fair value		$ 4.3	$ 295.6	$ 299.9
Non U.S. Plans				
Cash and cash equivalents	Level 1	$ 19.5	$ —	$ 19.5
Annuities	Level 3	97.9	—	97.9
Pooled investment funds		—	427.2	427.2
Total fair value		$ 117.4	$ 427.2	$ 544.6

The fair market value of index funds and pooled investment funds are valued using the net asset value (NAV) unit price provided by the fund administrator. The NAV is based on the value of the underlying assets owned by the fund. The fair value of annuity investments are based on discounted cash flow techniques using unobservable valuation inputs such as discount rates and actuarial mortality tables.

Fair Value Measurement of Level 3 Pension Assets	Annuities
Balance at January 1, 2021	$ 58.
Actual return on plan assets	39.
Balance at December 31, 2021	97.
Actual return on plan assets	(37.
Balance at December 31, 2022	$ 60.

Investment Policies

Plan fiduciaries of various plans set investment policies and strategies, based on consultation with professional advisors, and oversee investment allocation, which includes selecting investment managers and setting long-term strategic targets. The primary strategic investment objectives are balancing investment risk and return and monitoring the plan's liquidity position in order to meet the near-term benefit payment and other cash needs. Target allocation percentages are established at an asset class level by plan fiduciaries. Target allocation ranges are guidelines, not limitations, and occasionally plan fiduciaries will approve allocations above or below a target range.

(Dollars and shares in millions, except per share data)

The weighted average asset allocation of the plan assets as of December 31, 2022, by asset category is as follows:

	December 31, 2022	
	U.S. Plans	Non-U.S. Plans
Equity securities	24.5 %	43.4 %
Debt securities	71.0 %	33.9 %
Annuities	— %	18.1 %
Real estate	2.5 %	3.6 %
Other	2.0 %	1.0 %

The weighted average target asset allocation of the plan assets is as follows:

	U.S. Plans			Non U.S. Plans		
Equity securities	17.0%	to	32.5 %	35.0%	to	45.0%
Debt securities	61.0%	to	81.0 %	30.0%	to	40.0%
Annuities	— %	to	— %	10.0%	to	20.0%
Real estate	0.5 %	to	4.3 %	—%	to	10.0%
Other	— %	to	5.0 %	—%	to	5.0%

Pension Funding and Cash Flows

The Company expects to make approximately $18.2 in required contributions to its defined benefit pension plans during 2023. The Company targets funding the minimum required contributions but may make additional contributions into the pension plans in 2023, depending upon factors such as how the funded status of those plans change or to reduce the administrative costs of the plan.

The estimated benefit payments, which were used in the calculation of projected benefit obligations, are expected to be paid as follows:

	U. S. Plans	Non-U. S. Plans
2023	$ 25.7	$ 14.8
2024	25.4	16.1
2025	25.4	16.0
2026	24.5	17.1
2027	23.6	17.9
Years 2028 to 2037	106.6	95.3

Post-employment Retiree Health and Welfare Plan

The Company sponsors a post-employment retiree health and welfare plan for the benefit of eligible employees at certain U.S. subsidiaries who retire after satisfying service and age requirements. This plan is funded on a pay-as-you-go basis and the cost of providing these benefits is shared with the retirees.

Post-retirement Medical Plan

The Company assumed obligations under a subsidiary's post-retirement medical plan. Coverage under this plan is restricted to a limited number of existing employees of the subsidiary. This plan is unfunded and the Company’s policy is to fund benefits as claims are incurred. The effect on operations of the post-retirement medical plan is shown in the following table:

	Year ended December 31,		
	2022	2021	2020
Interest cost on benefit obligation	$ 0.1	$ 0.1	$ 0.2
Net amortization and deferral	0.2	0.3	0.4
Post-retirement medical plan costs	$ 0.3	$ 0.4	$ 0.6

Amounts included in accumulated other comprehensive earnings consist of unamortized net (income) loss of $(0.2) and $0.8.

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A summary of the changes in the accumulated post-retirement benefit obligation follows:

	2022	2021
Balance at January 1	$ 5.2	$ 6.2
Interest cost on benefit obligation	0.1	0.1
Actuarial loss	(0.9)	(0.5)
Benefits paid	(0.5)	(0.6)
Balance at December 31	$ 3.9	$ 5.2
Recorded as:		
Accrued expenses and other	$ 0.6	$ 0.7
Other liabilities	3.3	4.5
	$ 3.9	$ 5.2

The weighted-average discount rates used in the calculation of the accumulated post-retirement benefit obligation were 5.5% and 2.7% as of December 31, 2022, and 2021, respectively. The healthcare cost trend rate was removed due to the expectation of future funding to be at the same level as the previous year's funding.

The following assumed benefit payments under the Company's post-retirement benefit plan, which reflect expected future service, as appropriate, and which were used in the calculation of projected benefit obligations, are expected to be paid as follows:

2023	$ 0.6
2024	0.6
2025	0.5
2026	0.4
2027	0.3
Years 2028 and thereafter	1.1

Deferred Compensation Plan

The Company has Deferred Compensation Plans (DCP) under which certain of its executives may elect to defer up to 100.0% of their annual cash incentive pay and/or up to 50.0% of their annual base salary and/or eligible commissions subject to annual limits established by the U.S. government. The DCP provides executives a tax efficient strategy for retirement savings and capital accumulation without significant cost to the Company. The Company makes no contributions to the DCP. Amounts deferred by a participant are credited to a bookkeeping account maintained on behalf of each participant, which is used for measurement and determination of amounts to be paid to a participant, or his or her designated beneficiary, pursuant to the terms of the DCP. The amounts accrued under these plans were $96.9 and $104.4 at December 31, 2022, and 2021, respectively. Deferred amounts are the Company's general unsecured obligations and are subject to claims by the Company's creditors. The Company's general assets may be used to fund obligations and pay DCP benefits.

16. FAIR VALUE MEASUREMENTS

The Company’s population of financial assets and liabilities subject to fair value measurements as of December 31, 2022, and 2021 were as follows:

			Fair Value Measurements as of December 31, 2022 Using Fair Value Hierarchy		
	Balance Sheet Classification	Fair Value as of December 31, 2022	Level 1	Level 2	Level 3
Noncontrolling interest put	Noncontrolling interest	$ 15.0	$ —	$ 15.0	$ —
Cross currency swaps	Other liabilities, net	45.7	—	45.7	—
Interest rate swaps	Other liabilities, net	79.7	—	79.7	—
Cash surrender value of life insurance policies	Other assets, net	100.7	—	100.7	—
Deferred compensation liability	Other liabilities	96.9	—	96.9	—
Contingent consideration	Accrued expenses and other; Other liabilities	77.4	—	—	77.4

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	Balance Sheet Classification	Fair Value as of December 31, 2021	Fair Value Measurements as of December 31, 2021 Using Fair Value Hierarchy		
			Level 1	Level 2	Level 3
Noncontrolling interest put	Noncontrolling interest	$ 16.3	$ —	$ 16.3	$ —
Cross currency swaps	Other liabilities, net	32.8	—	32.8	—
Interest rate swaps	Other assets, net	2.9	—	2.9	—
Cash surrender value of life insurance policies	Other assets, net	106.4	—	106.4	—
Deferred compensation liability	Other liabilities	104.4	—	104.4	—
Investment in equity securities	Other current assets	10.9	10.9	—	—
Contingent consideration	Other liabilities	21.9	—	—	21.9

Fair Value Measurement of Level 3 Liabilities	Contingent Consideration
Balance at January 1, 2021	$ 13.9
Addition	9.1
Cash payments and adjustments	(1.1)
Balance at December 31, 2021	21.9
Addition	68.3
Cash payments and adjustments	(12.8)
Balance at December 31, 2022	$ 77.4

The Company has a noncontrolling interest put related to its Ontario subsidiary that has been classified as mezzanine equity in the Company’s consolidated balance sheets. The noncontrolling interest put is valued at its contractually determined value, which approximates fair value. During the year ended December 31, 2022, the carrying value of the noncontrolling interest put decreased by $0.2 for foreign currency translation.

The Company offers certain employees the opportunity to participate in a DCP. A participant's deferrals are allocated by the participant to one or more of 16 measurement funds, which are indexed to externally managed funds. From time to time, to offset the cost of the growth in the participant's investment accounts, the Company purchases life insurance policies, with the Company named as beneficiary of the policies. Changes in the cash surrender value of the life insurance policies are based upon earnings and changes in the value of the underlying investments, which are typically invested in a similar manner to the participants' allocations. Changes in the fair value of the DCP obligation are derived using quoted prices in active markets based on the market price per unit multiplied by the number of units. The cash surrender value and the DCP obligations are classified within Level 2 because their inputs are derived principally from observable market data by correlation to the hypothetical investments.

Contingent accrued earn-out business acquisition consideration liabilities for which fair values are measured as Level 3 instruments. These contingent consideration liabilities were recorded at fair value on the acquisition date and are remeasured quarterly based on the then assessed fair value and adjusted if necessary. The increases or decreases in the fair value of contingent consideration payable can result from changes in anticipated revenue levels and changes in assumed discount periods and rates. As the fair value measure is based on significant inputs that are not observable in the market, they are categorized as Level 3.

The carrying amounts of cash and cash equivalents, accounts receivable, income taxes receivable, and accounts payable are considered to be representative of their respective fair values due to their short-term nature. The fair market value of the Senior Notes, based on market pricing, was approximately $4,973.9 and $5,841.1 as of December 31, 2022, and 2021, respectively. The Company's note and debt instruments are considered Level 2 instruments, as the fair market values of these instruments are determined using other observable inputs.

17. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

Interest Rate Swap

During the second quarter of 2021, the Company entered into fixed-to-variable interest rate swap agreements for its 2.70% senior notes due 2031 with an aggregate notional amount of $500.0 and variable interest rates based on three-month LIBOR plus 1.0706%. These agreements were designated as hedges against changes in the fair value of a portion of the Company's long-term debt.

(Dollars and shares in millions, except per share data)

During the third quarter of 2013, the Company entered into two fixed-to-variable interest rate swap agreements for the 4.625% Senior Notes due 2020 with an aggregate notional amount of $600.0 and variable interest rates based on one-month LIBOR plus 2.298% to hedge against changes in the fair value of a portion of the Company's long-term debt. The Company exited the remaining fixed-to-variable interest rate swap agreement in August 2020, in connection with the redemption of the remaining $412.2 of its 4.625% Senior Notes due November 15, 2020, and recorded a gain of $1.6 on the extinguishment. The gain was included in Other, net on the Consolidated Statement of Operations.

Cross Currency Swaps

During the fourth quarter of 2018, the Company entered into U.S. Dollar (USD) to Swiss Franc cross-currency swap agreements with an aggregate notional value of $600.0. During the second quarter of 2022, the Company terminated $300.0 of those cross-currency swap agreements and entered into new USD to Swiss Franc cross-currency swap agreements with an aggregate notional value of $300.0 that mature in 2024. These instruments are designated as a hedge against the impact of foreign exchange movements on its net investment in a Swiss subsidiary.

The table below presents the fair value of derivatives on a gross basis and the balance sheet classification of those instruments:

		December 31, 2022			December 31, 2021		
		Fair Value of Derivative			Fair Value of Derivative		
	Balance Sheet Caption	Asset	Liability	U.S. Dollar Notional	Asset	Liability	U.S. Dollar Notional
Derivatives Designated as Hedging Instruments							
Interest rate swap	Other assets, net/Other liabilities	—	79.7	500.0	2.9	—	500.0
Cross currency swaps	Other liabilities	—	45.7	600.0	—	32.8	600.0

The table below provides information regarding the location and amount of pretax (gains) losses of derivatives designated in fair value hedging relationships:

	Amount included in other comprehensive income			Amounts reclassified to the Statement of Operations		
	Year Ended December 31,			Year Ended December 31,		
	2022	2021	2020	2022	2021	2020
Interest rate swap contracts	$ —	$ —	$ 0.8	$ —	$ —	$ 1.6
Cross currency swaps	$ (12.9)	$ 7.6	$ (43.6)	$ 0.9	$ —	$ —

The Company recognized a gain of $1.6 on the extinguishment of its interest rate swap agreement in the year December 31, 2020 in connection with the redemption of the 4.625% Senior Notes due 2020. No gains or losses from derivative instruments classified as hedging instruments were recognized into income for the year ended December 31, 2021. In May 2022, the Company reclassified a gain of $0.9 to the Consolidated Statement of Operations within other, net, due to the exit of $300.0 of the cross-currency swap agreements.

18. SUPPLEMENTAL CASH FLOW INFORMATION

	Years Ended December 31,		
	2022	2021	2020
Supplemental schedule of cash flow information:			
Cash paid during period for:			
Interest	$ 197.1	$ 194.7	$ 216.6
Income taxes, net of refunds	504.7	1,000.0	500.0
Disclosure of non-cash financing and investing activities:			
Change in accrued property, plant and equipment	(3.9)	11.8	(1.2)

19. BUSINESS SEGMENT INFORMATION

The following table is a summary of segment information for the years ended December 31, 2022, 2021, and 2020. The “management approach” has been used to present the following segment information. This approach is based upon the way the management of the Company organizes segments within an enterprise for making operating decisions and assessing

(Dollars and shares in millions, except per share data)

performance. Financial information is reported on the basis that it is used internally by the chief operating decision maker (CODM) for evaluating segment performance and deciding how to allocate resources to segments. The Company's chief executive officer has been identified as the CODM.

During the fourth quarter of 2022, the Company modified the segment performance measure to exclude the amortization of intangibles and other assets, restructuring and other charges, goodwill and other asset impairments, and certain corporate charges for items such as transaction costs, COVID-19 costs, and other special items. These changes align with how the CODM now evaluates segment performance and allocates resources. Prior periods have been conformed for comparability. Segment asset information is not presented because it is not used by the CODM at the segment level.

	2022	2021	2020
Revenues:			
Dx	$ 9,203.5	$ 10,363.6	$ 9,253.4
DD	5,710.2	5,845.5	4,877.7
Intercompany eliminations and other	(36.9)	(88.2)	(152.6)
Total revenues	$ 14,876.8	$ 16,120.9	$ 13,978.5
Operating Earnings:			
Dx segment operating income	$ 2,025.5	$ 3,205.6	$ 2,801.3
DD segment operating income	801.1	887.1	721.6
Segment operating income	2,826.6	4,092.7	3,522.9
General corporate and unallocated expenses	(438.1)	(420.5)	(299.4)
Amortization of intangibles and other assets	(259.3)	(369.6)	(275.4)
Restructuring and other charges	(83.8)	(43.1)	(40.6)
Goodwill and other asset impairments	(271.5)	—	(462.1)
Total operating income	$ 1,773.9	$ 3,259.5	$ 2,445.4

	2022	2021	2020
Depreciation			
Dx	$ 227.1	$ 238.7	$ 222.6
DD	143.8	134.3	124.7
General corporate	3.7	2.6	2.0
Total depreciation	$ 374.6	$ 375.6	$ 349.3

Geographic Distribution of property, plant and equipment, net:

	December 31, 2022		
	Dx	DD	Total
North America	$ 1,669.2	$ 730.0	$ 2,399.2
Europe	—	425.5	425.5
Other	—	131.5	131.5
Total property, plant and equipment, net	$ 1,669.2	$ 1,287.0	$ 2,956.2

	December 31, 2021		
	Dx	DD	Total
North America	$ 1,507.3	$ 670.2	$ 2,177.5
Europe	—	449.9	449.9
Other	—	188.0	188.0
Total property, plant and equipment, net	$ 1,507.3	$ 1,308.1	$ 2,815.4

[1]AMENDMENT NO. 1 TO THIRD AMENDED AND RESTATED CREDIT AGREEMENT

AMENDMENT NO. 1 dated as of January 13, 2023 (this "**Amendment**") to THIRD AMENDED AND RESTATED CREDIT AGREEMENT dated as of April 30, 2021 (the "**Credit Agreement**"), among LABORATORY CORPORATION OF AMERICA HOLDINGS, a Delaware corporation (the "**Borrower**"), the LENDERS AND L/C ISSUERS party hereto and BANK OF AMERICA, N.A., as Administrative Agent.

W I T N E S S E T H :

WHEREAS, the Borrower has requested that the Credit Agreement be amended as set forth herein; and

WHEREAS, the Administrative Agent, the Lenders and the L/C Issuers executing this Amendment as a Lender are willing to amend the Credit Agreement on the terms set forth herein;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. *Defined Terms; References.* Unless otherwise specifically defined herein, each term used herein that is defined in the Credit Agreement has the meaning assigned to such term in the Credit Agreement.

Section 2. *Amendments*. Each of the parties hereto agrees that, effective on the Amendment No. 1 Effective Date (as defined below), the Credit Agreement shall be amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth on the pages of the Credit Agreement attached as Exhibit A hereto.

Section 3. *Representations and Warranties.* Each Loan Party represents and warrants to the other parties hereto that:

(a) the execution, delivery and performance by such Person of this Amendment are within such Person's corporate powers and have been duly authorized by all necessary corporate and, if required, stockholder action;

(b) this Amendment has been duly executed and delivered by such Person and constitutes a legal, valid and binding obligation of such Person, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law;

(c) The execution, delivery and performance by such Person of this Amendment will not (i) violate (A) any provision of law, statute, rule or regulation, or of the Organization Documents of the Company or any Subsidiary, (B) any order of any Governmental Authority or

(C) any provision of any indenture, agreement or other instrument to which the Company or any Subsidiary is a party or by which any of them or any of their property is or may be bound, the effect of which could reasonably be expected to result in a Material Adverse Effect, (ii) result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, or give rise to any right to accelerate or to require the prepayment, repurchase or redemption of any obligation under any such indenture, agreement or other instrument, the effect of which could reasonably be expected to result in a Material Adverse Effect, or (iii) result in the creation or imposition of any Lien (other than Liens permitted by Section 7.02 of the Credit Agreement) upon or with respect to any property or assets now owned or hereafter acquired by the Company or any Subsidiary.

(d) the representations and warranties contained in the Credit Agreement and any other Loan Document are true and correct in all material respects (other than any such representation and warranty that is already qualified by materiality or "Material Adverse Effect" in the text thereof, in which case such representation and warranty shall be true in all respects) on and as of the date hereof, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties are true and correct in all material respects on and as of such earlier date.

Section 4. *Effectiveness.* This Amendment shall become effective as of the first date on which the following conditions precedent have been satisfied (or waived in accordance with Section 11.01 of the Credit Agreement) (the "**Amendment No. 1 Effective Date**"):

(a) the Administrative Agent (or its counsel) shall have received from each Loan Party, the Lenders (constituting all Lenders under the Credit Agreement) and the Administrative Agent either (i) a counterpart of this Amendment signed on behalf of such party or (ii) written evidence reasonably satisfactory to the Administrative Agent that such party has signed a counterpart of this Amendment;

(b) the Administrative Agent (or its counsel) shall have received a certificate, dated the Amendment No. 1 Effective Date and signed by the President and Chief Executive Officer, a Vice President or a Financial Officer of the Borrower, confirming (i) the accuracy of the representations and warranties set forth in Section 3 of this Amendment and (ii) the absence of any Default or Event of Default;

(c) all fees and out-of-pocket expenses of the Administrative Agent and its applicable Affiliates required to be paid on or before the Amendment No. 1 Effective Date pursuant to Section 11.04 of the Credit Agreement, shall have been paid; and

(d) the Borrower shall have paid all reasonable and documented out-of-pocket fees, charges and disbursements of counsel to the Administrative Agent to the extent invoiced at least three (3) days prior to the Amendment No. 1 Effective Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the Amendment No. 1 Effective Date (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent).

Section 5. *Governing Law.* The terms of the Credit Agreement with respect to governing law, submission to jurisdiction, waiver of venue and waiver of jury trial are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

Section 6. *Counterparts*. This Amendment may be in the form of an electronic record (in ".pdf" form or otherwise) and may be executed using electronic signatures, which shall be considered as originals and shall have the same legal effect, validity and enforceability as a paper record. This Amendment may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts shall be one and the same Amendment. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Administrative Agent of a manually signed Amendment which has been converted into electronic form (such as scanned into ".pdf" format), or an electronically signed Amendment converted into another format, for transmission, delivery and/or retention.

Section 7. *Miscellaneous*.

(a) Notwithstanding anything to the contrary in the Credit Agreement or this Amendment, any Eurodollar Rate Loans (as defined in the Credit Agreement) outstanding as of the Amendment No. 1 Effective Date shall continue to the end of the current applicable Interest Period for such Eurodollar Rate Loans and the provisions of the Credit Agreement applicable thereto shall continue and remain in effect (notwithstanding the alternate rate of interest to LIBOR established pursuant to this Amendment on the Amendment No. 1 Effective Date) until the end of such Interest Period for such Eurodollar Rate Loans, after which such provisions shall have no further force or effect.

(b) The Loan Documents, and the obligations of each Loan Party under the Loan Documents, are hereby ratified and confirmed and shall remain in full force and effect according to their terms. This Amendment is a Loan Document.

(c) Each Loan Party (i) acknowledges and consents to all of the terms and conditions of this Amendment, (ii) affirms all of its obligations under the Loan Documents and (iii) agrees that this Amendment and all documents executed in connection herewith do not operate to reduce or discharge its obligations under the Loan Documents. Each Guarantor hereby reaffirms its obligations under the Guaranty and agrees that its obligation to guarantee the Obligations is in full force and effect as of the date hereof.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

LABORATORY CORPORATION OF AMERICA HOLDINGS,
a Delaware corporation

By: /s/ Robert S. Pringle
Name: Robert S. Pringle
Title: Senior Vice President and Treasurer

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

By: /s/ Aamir Saleem
Name: Aamir Saleem
Title: Vice President

BANK OF AMERICA, N.A.,
as a Lender, Swing Line Lender and
L/C Issuer

By: /s/ Joseph L. Corah
Name: Joseph L. Corah
Title: Director

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Lender and L/C Issuer

By: /s/ Darin Mullis

Name: Darin Mullis

Title: Managing Director

BARCLAYS BANK PLC,
as a Lender

By: /s/ Warren Veech III

Name: Warren Veech III

Title: Vice President

Exhibit A

CUSIP: 50540QAS3
CUSIP: 50540QAT1

THIRD AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of April 30, 2021

as amended by Amendment No. 1, dated as of January 13, 2023

(Originally dated as of December 21, 2011,
amended and restated as of December 19, 2014,
further amended as of July 13, 2016,
further amended and restated as of September 15, 2017,
and further amended as of May 7, 2020
and further amended and restated as of April 30, 2021)

among

LABORATORY CORPORATION OF AMERICA HOLDINGS,
as the Borrower,

BANK OF AMERICA, N.A.,
as Administrative Agent, Swing Line Lender and L/C Issuer,

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Syndication Agent and L/C Issuer,
BARCLAYS BANK PLC,
CITIBANK, N.A.,
JPMORGAN CHASE BANK, N.A.,
KEYBANK NATIONAL ASSOCIATION,
MUFG BANK, LTD.,
PNC BANK, NATIONAL ASSOCIATION,
TD BANK, N.A.
and
U.S. BANK NATIONAL ASSOCIATION,
as Documentation Agents

and

THE OTHER LENDERS PARTY HERETO

BofA SECURITIES, INC.
and
WELLS FARGO SECURITIES, LLC
as Joint Lead Arrangers and Joint Book Managers

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SCHEDULES

EXHIBITS

THIRD AMENDED AND RESTATED CREDIT AGREEMENT

This THIRD AMENDED AND RESTATED CREDIT AGREEMENT is entered into as of April 30, 2021 (originally dated as of December 21, 2011, amended and restated as of December 19, 2014, further amended as of July 13, 2016, further amended and restated as of September 15, 2017 and further amended as of May 7, 2020) among LABORATORY CORPORATION OF AMERICA HOLDINGS, a Delaware corporation (the "Borrower"), the Guarantors (defined herein) from time to time party hereto, the Lenders (defined herein) and BANK OF AMERICA, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer.

The Borrower has requested that the Lenders provide credit facilities for the purposes set forth herein, and the Lenders are willing to do so on the terms and conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto agree to amend and restate the Existing Credit Agreement to read in its entirety as set forth below:

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:

"Accepting Lender" has the meaning specified in Section 2.16(a).

"Acquisition" means the acquisition by the Company or any Wholly Owned Subsidiary of (i) all or substantially all of the assets of a Person or line of business of such Person where the aggregate consideration (in whatever form) payable by the Company or any Subsidiary is greater than or equal to 10% of the consolidated assets of the Company and its Subsidiaries prior to giving effect to such Acquisition, or (ii) all or substantially all of the Equity Interests of a Person who, after giving effect to such Acquisition, constitutes a Material Subsidiary.

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

"Administrative Agent's Office" means the Administrative Agent's address and, as appropriate, account as set forth on Schedule 11.02 or such other address or account as the Administrative Agent may from time to time notify the Loan Parties and the Lenders.

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

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

"Affiliate" means, with respect to any 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.

"Agent Parties" has the meaning specified in Section 11.02(c).

"Aggregate Revolving Commitments" means the Revolving Commitments of all the Lenders. The aggregate principal amount of the Aggregate Revolving Commitments in effect on the Third Amendment and Restatement Effective Date is ONE BILLION DOLLARS ($1,000,000,000).

"Agreement" means this Third Amended and Restated Credit Agreement, as amended from time to time.

"Applicable Percentage" means with respect to any Lender at any time, the percentage of the Aggregate Revolving Commitments represented by such Lender's Revolving Commitment at such time, subject to adjustment as provided in Section 2.15; provided that if the commitment of each Lender to make Revolving Loans and the obligation of each L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 8.02 or if the Aggregate Revolving Commitments have expired, then the Applicable Percentage of each Lender shall be determined based on the Applicable Percentage of such Lender most recently in effect, giving effect to any subsequent assignments. The initial Applicable Percentage of each Lender 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.

"Applicable Rate" means with respect to Revolving Loans, Swing Line Loans, Letters of Credit and the Facility Fee, the following percentages per annum, based upon the Debt Rating as set forth below:

Pricing Level	**Debt Rating**		**Applicable Rate for Facility Fee**	**Applicable Rate for ~~Eurodollar Rate~~Term SOFR Loans, Daily ~~Floating LIBOR Rate~~Simple SOFR Loans and Letter of Credit Fee**	**Applicable Rate for Base Rate Loans**
	S&P	**Moody's**			
I	≥ A-	A3	0.100%	0.775%	0%
II	#VALUE!	Baa1	0.110%	0.890%	0%
III	#NAME?	Baa2	0.125%	1.000%	0%
IV	#VALUE!	Baa3	0.150%	1.100%	0.100%
V	≤ BB+	Ba1	0.225%	1.275%	0.275%

"Debt Rating" means, as of any date of determination, the rating as determined by either S&P or Moody's (collectively, the "Debt Ratings") of the Borrower's Index Debt or, following the Holdco Reorganization Effective Date, if the Debt Ratings of the Borrower's Index Debt are not available, the Parent's Index Debt; provided that (a) if each of the respective Debt Ratings issued by the foregoing rating agencies falls within a different pricing level listed above (the "Pricing Level"), then the Pricing Level shall be set based on the higher of such Pricing Levels; provided, however, that if there is a split in Debt Ratings of more than one level, the Pricing Level that is one level lower than the Pricing Level of the higher Debt Rating shall apply; (b) if the Borrower or, if applicable, the Parent has only one Debt Rating, the Pricing Level shall be set based upon such Debt Rating; and (c) if neither the Borrower nor the Parent has any Debt Rating, Pricing Level V shall apply.

Initially, the Applicable Rate shall be determined based upon the Debt Ratings specified in the certificate delivered pursuant to Section 4.01(f). Thereafter, each change in the Applicable Rate resulting from a publicly announced change in the Debt Rating, shall be effective during the period commencing on the date of the public announcement thereof and ending on the date immediately preceding the effective date of the next such change.

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

"Assignee Group" means two or more Eligible Assignees 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 entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 11.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit F or any other form approved by the Administrative Agent.

"Attributable Indebtedness" means, on any date, (a) in respect of any Synthetic Lease of any Person, 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 Obligation and (b) in respect of any Securitization Transaction of any Person, the outstanding principal amount of such financing, after taking into account reserve accounts and making appropriate adjustments, as reasonably determined by the Company in good faith.

"Audited Financial Statements" means the audited consolidated balance sheet of the Borrower and its Subsidiaries for the fiscal year ended December 31, 2020, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year of the Borrower and its Subsidiaries, including the notes thereto, audited by independent public accountants of recognized national standing and prepared in conformity with GAAP.

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

"Availability Period" means, with respect to the Revolving Commitments, the period from and including the Third Amendment and Restatement Effective Date to the earliest of (a) for each Lender, the Maturity Date with respect to such Lender's Commitment, (b) the date of termination of the Aggregate Revolving Commitments pursuant to Section 2.06, and (c) the date of termination of the commitment of each Lender to make Loans and of the obligation of each L/C Issuer to make L/C Credit Extensions pursuant to Section 8.02.

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

"Bank of America" means Bank of America, N.A. and its successors.

"Base Rate" means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 0.50%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate" and (c) ~~the Eurodollar Rate~~Term SOFR plus 1.00%; provided that if the Base Rate would otherwise be less than 0.00% the Base Rate shall be deemed to be 0.00%. The "prime rate" is a rate set by Bank of America based upon various factors including Bank of America's

costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in the "prime rate" announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change. If the Base Rate is being used as an alternate rate of interest pursuant to Section 3.03 hereof, then the Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above.

"Base Rate Loan" means a Loan that bears interest based on the Base Rate.

"Beneficial Ownership Regulation" means 31 C.F. R. §1020.230.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"BofA Securities" means BofA Securities, Inc., in its capacity as joint lead arranger and joint book manager, and its successors and assigns.

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

"Borrower Materials" has the meaning specified in Section 6.04.

"Borrowing" means each of the following: (a) a borrowing of Swing Line Loans pursuant to Section 2.04 and (b) a borrowing consisting of simultaneous Loans of the same Type and, in the case of ~~Eurodollar Rate~~Term SOFR Loans, having the same Interest Period made by each of the Lenders pursuant to Section 2.01.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the ~~Laws~~laws of, or are in fact closed in, the state where the Administrative Agent's Office is located ~~and, if such day relates to any Eurodollar Rate Loan or Daily Floating LIBOR Rate Loan, means any such day that is also a London Banking Day~~.

"Capital Lease Obligations" of any Person means, subject to Section 1.03(b), the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Cash Collateralize" means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the Administrative Agent, the relevant L/C Issuer or Swing Line Lender (as applicable) and the Lenders, as collateral for L/C Obligations, Obligations in respect of Swing Line Loans or obligations of Lenders to fund participations in respect of either thereof (as the context may require), cash or deposit account balances or, if each L/C Issuer or Swing Line Lender benefitting from such collateral shall agree in its sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to (a) the Administrative Agent and (b) the relevant L/C Issuer or the Swing Line Lender (as applicable). "Cash Collateral" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided, that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, 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 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 in Control" means the occurrence of any of the following events: (a) any person or group (within the meaning of Rule 13d-5 of the Securities Exchange Act of 1934 as in effect on the date hereof) shall own, directly or indirectly, beneficially or of record, Equity Interests representing more than 45% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Company, (b) a majority of the seats (other than vacant seats) on the board of directors of the Company shall at any time cease to be occupied by persons (i) who were members of the board of directors on the Third Amendment and Restatement Effective Date (in the case of the Borrower) or the Holdco Reorganization Effective Date (in the case of the Parent, if applicable), (ii) who were nominated or elected to the board of directors, or whose nomination or election was approved, by individuals referred to in clause (i) constituting at the time of such election, nomination or approval at least a majority of the members of the board of directors or (iii) who were nominated or elected to the board of directors, or whose nomination or election was approved, by individuals referred to in clauses (i) and (ii) above constituting at the time of such election, nomination or approval at least a majority of the board of directors or (c) following the Holdco Reorganization Effective Date, if any, the Borrower shall cease to be a direct or indirect Wholly Owned Subsidiary of the Parent. For the avoidance of doubt, the Permitted Holdco Reorganization shall not be a Change in Control, so long as the condition set forth in clause (a) of this definition is not satisfied with respect to the ownership of Equity Interests in the Parent on the Holdco Reorganization Effective Date immediately after giving effect to the Permitted Holdco Reorganization.

"CME" means CME Group Benchmark Administration Limited.

"Commitment" means, as to each Lender, the Revolving Commitment of such Lender.

"Company" means (a) prior to the Holdco Reorganization Effective Date, the Borrower and (b) from the Holdco Reorganization Effective Date, the Parent.

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

"Confidential Information Memorandum" means the Confidential Information Memorandum of the Borrower dated April 2021.

"Conforming Changes" means, with respect to the use, administration of or any conventions associated with SOFR or any proposed Successor Rate or Term SOFR, as applicable, any conforming changes to the definitions of "Base Rate", "SOFR", "Term SOFR" and "Interest Period", timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definitions of "Business Day" and "U.S. Government Securities Business Day", timing of borrowing requests or prepayment, conversion or continuation notices and length of lookback periods) as may be appropriate, in the discretion of the Administrative Agent, in consultation with the Borrower, to reflect the adoption and implementation of such applicable rate(s) and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such rate exists, in such other manner of administration as the Administrative Agent determines (in consultation with the Borrower) is reasonably necessary in connection with the administration of this Agreement and any other Loan Document).

"Consenting Lender" has the meaning specified in Section 11.21.

"Consolidated EBITDA" means, for any period for the Company and its Subsidiaries on a consolidated basis, Consolidated Net Income for such period plus (a) without duplication and to the extent deducted in determining such Consolidated Net Income, the sum of (i) consolidated interest expense net of interest income for such period, (ii) consolidated income tax expense for such period, (iii) all amounts attributable to depreciation and amortization for such period, (iv) all non-cash write-offs and write-downs of amortizable and depreciable items for such period and (v) any extraordinary, unusual or non-recurring charges, expenses and losses (including charges, fees and expenses incurred in connection with any issuance of debt or equity, Acquisitions, investments, restructuring activities or Dispositions, whether or

not successful) for such period, and minus (b) without duplication, to the extent included in determining such Consolidated Net Income, (i) all non-cash items of income for such period and (ii) all extraordinary, unusual or non-recurring gains for such period, all as determined in accordance with GAAP.

"Consolidated Net Income" means, for any period, the net income or loss of the Company and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP.

"Consolidated Net Worth" means, as of any date of determination, consolidated shareholders' equity of the Company and its Subsidiaries as of that date determined in accordance with GAAP.

"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. Without limiting the generality of the foregoing, a Person shall be deemed to be Controlled by another Person if such other Person possesses, directly or indirectly, power to vote 5% or more of the securities having ordinary voting power for the election of directors, managing general partners or the equivalent.

"Covered Party" has the meaning specified in Section 11.22(a).

"Credit Extension" means each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

"Credit Party" has the meaning specified in Section 9.10.

~~"Daily Floating LIBOR Rate" means, for any day and subject to availability, a fluctuating rate of interest per annum which can change on each Business Day, equal to LIBOR, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to such date for Dollar deposits with a term equivalent to a one month term beginning on that date; provided, that if the Daily Floating LIBOR Rate shall be less than zero, the Daily Floating LIBOR Rate shall be deemed to be zero for all purposes of this Agreement.~~

"Daily Simple SOFR" means the rate per annum equal to SOFR determined for any day pursuant to the definition thereof plus the SOFR Adjustment. Any change in Daily Simple SOFR shall be effective from and including the date of such change without further notice. If the rate as so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"Daily ~~Floating LIBOR Rate~~Simple SOFR Loan" means a Loan that bears interest at a rate based on ~~the~~ Daily ~~Floating LIBOR Rate~~Simple SOFR. Daily ~~Floating LIBOR Rate~~Simple SOFR Loans shall be denominated in Dollars.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, 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.

"Debt Rating" has the meaning set forth in the definition of "Applicable Rate."

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means (a) when used with respect to Obligations other than Letter of Credit Fees, an interest rate equal to (i) the Base Rate plus (ii) the Applicable Rate, if any, applicable to Base Rate Loans plus (iii) 2% per annum; provided, however, that with respect to a ~~Eurodollar Rate~~Term SOFR Loan or Daily ~~Floating LIBOR Rate~~Simple SOFR Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Rate) otherwise applicable to such Loan plus 2% per annum, in each case to the fullest extent permitted by applicable Laws and (b) when used with respect to Letter of Credit Fees, a rate equal to the Applicable Rate plus 2% per annum.

"Defaulting Lender" means, subject to Section 2.15(b), any Lender that (a) has failed to perform any of its funding obligations hereunder, including in respect of its Loans or participations in respect of Letters of Credit or Swing Line Loans, within three (3) Business Days of the date required to be funded by it hereunder, unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, (b) has notified the Borrower or the Administrative Agent that it does not intend to comply with its funding obligations or has made a public statement to that effect with respect to its funding obligations hereunder (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's good faith determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in writing or public statement) cannot be satisfied), (c) has failed, within three (3) Business Days after written request by the Administrative Agent, to confirm in a manner satisfactory to the Administrative Agent or the Borrower that it will comply with its funding obligations; provided that any such Lender shall cease to be a Defaulting Lender under this clause (c) upon receipt of such confirmation by the Administrative Agent in a manner reasonably satisfactory to the Administrative 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) had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or a custodian appointed for it, (iii) taken any action in furtherance of, or indicated its consent to, approval of or acquiescence in any such proceeding or appointment or (iv) become the subject of a Bail-In Action; provided, that, a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interests in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.15(b)) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Borrower, the L/C Issuers, the Swing Line Lender and each other Lender promptly following such determination.

"Designated Jurisdiction" means any country or territory to the extent that such country or territory itself is the subject of any Sanctions (as of the Third Amendment and Restatement Effective Date, Crimea, Cuba, Iran, North Korea and Syria).

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition (including any Sale and Leaseback Transaction) of any property by the Company or any Subsidiary (including the Equity Interests of any Material Subsidiary), 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 where either (i) the aggregate consideration (in whatever form) received by the Company or any Subsidiary is greater than or equal to 10% of the consolidated assets of the Company and its Subsidiaries prior to giving effect to such disposition or (ii) such disposition constitutes the sale, assignment, transfer or disposal of all or substantially all of the Equity Interests of a Subsidiary who, prior to giving effect to such disposition, constitutes a Material Subsidiary, but excluding (a) the sale, lease, license, transfer or other disposition of inventory in the ordinary course of business; (b) the sale, lease, license, transfer or other disposition in the ordinary course of business of surplus, obsolete or worn out property no longer used or useful in the conduct of business of the Company and its Subsidiaries; (c) any sale, lease, license, transfer or other disposition of property to the Company or any Subsidiary; and (d) any Involuntary Disposition.

"Dollar" and "$" mean lawful money of the United States.

"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.

"Electronic Signature" has the meaning specified in Section 11.16.

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 11.06(b) (subject to such consents, if any, as may be required under Section 11.06(b)(ii)).

"Environmental Laws" means all Laws, rules, regulations, codes, ordinances, orders, decrees, judgments or injunctions issued, promulgated or entered into by or with any Governmental Authority, relating to the environment, the preservation or reclamation of natural resources, the management or release of Hazardous Materials or to the effect of the environment on human health and safety.

"Environmental Liability" means liabilities, obligations, claims, actions, suits, judgments or orders under or relating to any Environmental Law for any damages, injunctive relief, losses, fines, penalties, fees, expenses (including fees and expenses of attorneys and consultants) or costs, whether contingent or otherwise, including those arising from or relating to (a) any action to address the on- or off-site presence, release of, or exposure to, Hazardous Materials, (b) permitting and licensing, governmental administrative oversight and financial assurance requirements, (c) any personal injury (including death), any property damage (real or personal) or natural resource damage and (d) the violation of any Environmental Law.

"Equity Interests" means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) 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, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Company, is treated as a single employer under Section 414(b) or (c) of the Internal Revenue Code, or solely for purposes of Section 302 of ERISA and Section 412 of the Internal Revenue Code, is treated as a single employer under Section 414 of the Internal Revenue Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder, with respect to a Plan (other than an event for which the 30-day notice period is waived), (b) prior to the effectiveness of the applicable provisions of the Pension Act, the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Internal Revenue Code or Section 302 of ERISA) or, on and after the effectiveness of the applicable provisions of the Pension Act, any failure by any Plan to satisfy the minimum funding standard (within the meaning of Section 412 of the Internal Revenue Code or Section 302 of ERISA) applicable to such Plan, in each case whether or not waived, (c) the filing pursuant to, prior to the effectiveness of the applicable provisions of the Pension Act, Section 412(d) of the Internal Revenue Code or Section 303(d) of ERISA or, on and after the effectiveness of the applicable provisions of the Pension Act, Section 412(c) of the Internal Revenue Code or Section 302(c) of ERISA, of an application for a waiver of the minimum funding standard with respect to any Plan, (d) on and after the effectiveness of the applicable

provisions of the Pension Act, a determination that any Plan is, or is expected to be, in "at- risk" status (as defined in Section 303(i)(4) of ERISA or Section 430(i)(4) of the Internal Revenue Code), (e) the incurrence by the Company or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan or the withdrawal or partial withdrawal of the Company or any of its ERISA Affiliates from any Plan or Multiemployer Plan, (f) the receipt by the Company or any of its ERISA Affiliates from the PBGC or a plan administrator of any notice relating to the intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan, (g) prior to the effectiveness of the applicable provisions of the Pension Act, the adoption of any amendment to a Plan that would require the provision of security pursuant to Section 401(a)(29) of the Internal Revenue Code or Section 307 of ERISA, (h) the receipt by the Company or any of its ERISA Affiliates of any notice, or the receipt by any Multiemployer Plan from the Company or any of its ERISA Affiliates of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA or, on and after the effectiveness of the applicable provisions of the Pension Act, in endangered or critical status, within the meaning of Section 305 of ERISA; or (i) the occurrence of a "prohibited transaction" with respect to which the Company or any of the Subsidiaries is a "disqualified person" (within the meaning of Section 4975 of the Internal Revenue Code) or with respect to which the Company or any such Subsidiary could otherwise be liable.

"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.

~~"Eurodollar Base Rate" means:~~

~~(a) for any Interest Period with respect to a Eurodollar Rate Loan, the rate per annum equal to (i) the ICE Benchmark Association LIBOR Rate ("LIBOR"), as published by Bloomberg (or such other commercially available source providing quotations of LIBOR as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period or (ii) if such rate is not available at such time for any reason, the rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the Eurodollar Rate Loan being made, continued or converted and with a term equivalent to such Interest Period would be offered by Bank of America's London Branch to major banks in the London interbank eurodollar market at their request at approximately 11:00 a.m. (London time) two Business Days prior to the commencement of such Interest Period; and~~

~~(b) for any interest rate calculation with respect to a Base Rate Loan on any date, the rate per annum equal to (i) LIBOR, as published by Bloomberg (or such other commercially available source providing quotations of LIBOR as may be designated by the Administrative Agent from time to time), at approximately 11:00 a.m. London time determined two Business Days prior to such date for Dollar deposits being delivered in the London interbank market for a term of one month commencing that day or (ii) if such published rate is not available at such time for any reason, the rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the date of determination in same day funds in the approximate amount of the Base Rate Loan being made or maintained with a term equal to one month would be offered by Bank of America's London Branch to major banks in the London interbank eurodollar market at their request at the date and time of determination.~~

~~"Eurodollar Rate" means (a) for any Interest Period with respect to any Eurodollar Rate Loan, a rate per annum determined by the Administrative Agent to be equal to the quotient obtained by dividing (i) the Eurodollar Base Rate for such Eurodollar Rate Loan for such Interest Period by (ii) one minus the Eurodollar Reserve Percentage for such Eurodollar Rate Loan for such Interest Period and (b) for any day with respect to any Base Rate Loan bearing interest at a rate based on the Eurodollar Rate, a rate per annum determined by the Administrative Agent to be equal to the quotient obtained by dividing (i) the Eurodollar Base Rate for such Base Rate Loan for such day by (ii) one minus the Eurodollar Reserve Percentage for such Base Rate Loan for such day; *provided* that if the Eurodollar Rate determined in accordance with any of the foregoing shall be less than zero, the Eurodollar Rate shall be deemed to be zero for all purposes of this Agreement.~~

~~"Eurodollar Rate Loan" means a Loan that bears interest at a rate based on clause (a) of the definition of "Eurodollar Rate".~~

~~"Eurodollar Reserve Percentage" means, for any day during any Interest Period, the reserve percentage (expressed as a decimal, carried out to five decimal places) in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as "Eurocurrency liabilities"). The Eurodollar Rate for each outstanding Eurodollar Rate Loan shall be adjusted automatically as of the effective date of any change in the Eurodollar Reserve Percentage.~~

"Event of Default" has the meaning specified in Section 8.01.

"Excluded Taxes" means, with respect to the Administrative Agent, any Lender, any L/C Issuer or any other recipient of any payment to be made by or on account of any obligation of the Loan Parties hereunder, (a) Taxes imposed on or measured by its overall net income (however denominated), franchise taxes imposed on it (in lieu of net income taxes) and capital Taxes other than capital Taxes resulting from a Change in Law, in each case, (i) by the jurisdiction (or any political subdivision thereof) under the Laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable Lending Office is located or (ii) that are Other Connection Taxes, (b) any branch profits Taxes imposed by the United States or any similar Tax imposed by any other jurisdiction in which a Loan Party is located that are Other Connection Taxes, (c) any backup withholding Tax that is required by the Internal Revenue Code to be withheld from amounts payable to a Lender that has failed to comply with clause (A) of Section 3.01(e)(ii), (d) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 11.13), any United States withholding tax that (i) is required to be imposed on amounts payable to such Foreign Lender pursuant to the Laws in force at the time such Foreign Lender becomes a party hereto (or designates a new Lending Office) or (ii) is attributable to such Foreign Lender's failure or inability (other than as a result of a Change in Law) to comply with Section 3.01(e)(ii), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new Lending Office (or assignment), to receive additional amounts from the Loan Parties with respect to such withholding Tax pursuant to Section 3.01(a)(ii) or (c) and (e) any U.S. federal withholding Taxes imposed under FATCA.

"Existing Credit Agreement" means that certain Second Amended and Restated Credit Agreement dated as of September 15, 2017 (originally dated as of December 21, 2011, amended and restated as of December 19, 2014, further amended as of July 13, 2016, further amended and restated as of September 15, 2017 and further amended as of May 7, 2020 and as otherwise amended or modified from time to time prior to the Third Amendment and Restatement Effective Date), among the Borrower, the lenders party thereto and Bank of America, N.A., as agent.

"Facilities Fee Letter" means the letter agreement, dated as of April 8, 2021 among the Borrower, Bank of America, BofA Securities, Wells Fargo Bank and WFS.

"Facility Fee" has the meaning specified in Section 2.09(a).

"FATCA" means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"Federal Funds Rate" 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, 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 Bank of America on such day on such transactions as determined by the Administrative Agent; provided further that if the Federal Funds Rate would otherwise be less than 0.00%, the Federal Funds Rate shall be deemed to be 0.00%.

"Foreign Lender" means any Lender that is organized under the Laws of a jurisdiction other than that in which the Borrower is resident for tax purposes (including such a Lender when acting in the capacity of an L/C Issuer). For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"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, (a) with respect to an 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 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 the participation in any Swing Line Loans other than Swing Line Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

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

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board, consistently applied and as in effect from time to time.

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

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or to purchase (or to advance or supply funds for the purchase of) any security for the payment of such Indebtedness, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment of such Indebtedness or other obligation, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness; provided, however, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. 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. The term "Guarantee" as a verb has a corresponding meaning.

"Guarantor" means each of (i) if the Holdco Reorganization Effective Date has occurred, the Parent and any Intermediate Holding Company and (ii) any Subsidiary Guarantor, in each case, that has executed and delivered to the Administrative Agent a Joinder Agreement which has not subsequently been released pursuant to Section 6.09(d).

"Guaranty" means any Guaranty pursuant to Article X made by the Parent, any Intermediate Holding Company or any Subsidiary Guarantor in favor of the Lender Parties evidenced by a Joinder Agreement.

"Hazardous Materials" means (a) petroleum products and byproducts, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, per- and polyfluoroalkyl substances, radon gas, chlorofluorocarbons and all other ozone-depleting substances and (b) any chemical, material, substance,

waste, pollutant or contaminant that is prohibited, limited or regulated by or pursuant to any law relating to the environment.

"Hedging Agreement" means any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement.

"Holdco Reorganization Effective Date" means the date on which the Borrower becomes a direct or indirect Wholly Owned Subsidiary of the Parent pursuant to a Permitted Holdco Reorganization.

"Honor Date" has the meaning set forth in Section 2.03(c)(i).

"Increase Effective Date" has the meaning set forth in Section 2.03(l)(iii).

"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, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property or assets purchased by such Person, (d) all obligations of such Person issued or assumed as the deferred purchase price of property or services (excluding (i) trade accounts payable and accrued obligations incurred in the ordinary course of business, (ii) deferred compensation payable to directors, officers, employees or consultants and (iii) any purchase price adjustment or earnout incurred in connection with an acquisition until such adjustment or earnout becomes due and payable), (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, (f) all Guarantees by such Person of Indebtedness of others, (g) all Capital Lease Obligations of such Person, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (i) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, (j) all obligations of such Person to make contingent cash payments in respect of any acquisition, to the extent such obligations are or are required to be shown as liabilities on the balance sheet of such Person in accordance with GAAP and (k) Attributable Indebtedness of Securitization Transactions and Synthetic Leases; provided, that the term "Indebtedness" shall not include (i) deferred or prepaid revenue ~~or~~, (ii) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the seller or (iii) any obligations under a Receivables Purchase Transaction (to the extent such obligations are not or are not required to be shown as liabilities on the balance sheet of such Person in accordance with GAAP). The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Indemnitees" has the meaning specified in Section 11.04(b).

"Index Debt" means the senior, unsecured, non-credit enhanced, long-term indebtedness for borrowed money of the Borrower or, if applicable, the Parent.

"Information" has the meaning specified in Section 11.07.

"Initial L/C Issuer" means each of Bank of America and Wells Fargo and their successors and assigns, each in its capacity as issuer of Letters of Credit hereunder.

"Interest Payment Date" means (a) as to any ~~Eurodollar Rate~~Term SOFR Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date; provided, however, that if any Interest Period for a ~~Eurodollar Rate~~Term SOFR Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; (b) as to any Base Rate Loan (including any Swing Line Loan that is a Base Rate Loan), the last Business Day

of each March, June, September and December and the Maturity Date; and (c) as to any Swing Line Loan that is a Daily ~~Floating LIBOR Rate~~Simple SOFR Loan, the last Business Day of each month and the Maturity Date.

"Interest Period" means~~,~~ as to each ~~Eurodollar Rate~~Term SOFR Loan, the period commencing on the date such ~~Eurodollar Rate~~Term SOFR Loan is disbursed or converted to or continued as a ~~Eurodollar Rate~~Term SOFR Loan and ending on the date one, three or six months (~~and, if agreed to by all Lenders, twelve months~~in each case, subject to availability thereof) thereafter, as selected by the Borrower in its Loan Notice; provided that:

(~~a~~a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(~~b~~b) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(~~c~~c) no Interest Period ~~with respect to any Revolving Loan that begins before any Maturity Date for any Lender shall end after such~~shall extend beyond the Maturity Date.

"Intermediate Holding Company" means any Subsidiary of the Parent at all times organized under the laws of a jurisdiction of the United States that directly or indirectly owns any Equity Interests of the Borrower.

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

"Internal Revenue Service" means the United States Internal Revenue Service.

"Involuntary Disposition" means any loss of, damage to or destruction of, or any condemnation or other taking for public use of, any property of the Company or any of its Subsidiaries where the value of the property subject to such loss, damage, destruction or condemnation is greater than or equal to 10% of the consolidated assets of the Company and its Subsidiaries prior to giving effect to such disposition.

~~"ISDA Definitions" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.~~

"ISP" means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

"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 an L/C Issuer and the Borrower (or any Subsidiary) or in favor of such L/C Issuer and relating to any such Letter of Credit.

"Joinder Agreement" means any Joinder Agreement made by the Parent, any Intermediate Holding Company or any Subsidiary Guarantor in substantially the form of Exhibit I.

"Joint Lead Arrangers" means BofA Securities and WFS.

"Laws" means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, 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, with respect to each Lender, such 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 on the date when made or refinanced as a Borrowing of Revolving Loans.

"L/C Credit Extension" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

"L/C Fronting Sublimit" means (i) with respect to the each Initial L/C Issuer, $75,000,000 (or such greater amount as shall be agreed in writing from time to time by such Initial L/C Issuer) and (ii) with respect to any other L/C Issuer, the amount agreed in writing by such L/C Issuer and the Borrower, subject in each case to any increase pursuant to Section 2.03(l).

"L/C Issuer" means, individually or collectively, as applicable, each Initial L/C Issuer, and any other Lender appointed by the Borrower and approved by the Administrative Agent (as long as such Lender so appointed agrees in its sole discretion in writing to act as such in accordance with this Agreement).

"L/C Obligations" means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. 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 Parties" means, collectively, the Lenders (including the Swing Line Lender), the L/C Issuers and the Administrative Agent.

"Lenders" means each of the Persons identified as a "Lender" on the signature pages hereto, each Person joining as a Lender pursuant to Section 2.02(fg) and their successors and assigns and, as the context requires, includes the Swing Line Lender.

"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 the Borrower and the Administrative Agent.

"Letter of Credit" means any letter of credit issued hereunder. A Letter of Credit may be a commercial letter of credit or a standby letter of credit; provided, however, that any commercial Letter of Credit issued hereunder shall provide solely for cash payment upon presentation of a sight draft.

"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 an L/C Issuer.

"Letter of Credit Expiration Date" means the day that is five (5) Business Days prior to the Maturity Date then in effect (or, if such day is not a Business Day, the next preceding Business Day).

"Letter of Credit Fee" has the meaning specified in Section 2.03(h).

"Letter of Credit Report" means a report substantially in the form of Exhibit H.

"Letter of Credit Sublimit" means an amount equal to the lesser of (a) the Aggregate Revolving Commitments and (b) $150,000,000, as such amount may be increased pursuant to Section 2.03(l). The Letter of Credit Sublimit is part of, and not in addition to, the Aggregate Revolving Commitments.

"Leverage Holiday" has the meaning specified in Section 7.05.

"Leverage Ratio" means, on any date, the ratio of Total Debt on such date to Consolidated EBITDA for the period of four consecutive fiscal quarters most recently ended on or prior to such date; provided, that solely for purposes of calculating Total Debt for determining the Leverage Ratio on the last day of the period of four consecutive fiscal quarters of the Company ending as of March 31, 2021, clause (b) of the definition of Total Debt shall be excluded.

~~"LIBOR" has the meaning specified in the definition of Eurodollar Base Rate.~~

~~"LIBOR Replacement Date" has the meaning specified in Section 3.03(c).~~

~~"LIBOR Screen Rate" means the LIBOR quote on the applicable screen page that the Administrative Agent designates to determine LIBOR (or such other commercially available source providing such quotations as designated by the Administrative Agent from time to time).~~

~~"LIBOR Successor Rate" has the meaning specified in Section 3.03(c).~~

~~"LIBOR Successor Rate Conforming Changes" means, with respect to any proposed LIBOR Successor Rate, any conforming changes to the definitions of Base Rate, Daily Floating LIBOR Rate and Interest Period, timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definition of Business Day, timing of borrowing requests or prepayment, conversion or continuation notices, and length of look-back periods) as may be appropriate, in the Administrative Agent's discretion, to reflect the adoption and implementation of such LIBOR Successor Rate and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such LIBOR Successor Rate exists, in such other manner of administration as the Administrative Agent determines is reasonably necessary in connection with the administration of this Agreement and any other Loan Document).~~

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, encumbrance, charge or security interest in or on such asset or (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset.

"Loan" means an extension of credit by a Lender to the Borrower under Article II in the form of a Revolving Loan or Swing Line Loan.

"Loan Documents" means this Agreement, each Note, each Joinder Agreement, each Issuer Document, any agreement creating or perfecting rights in Cash Collateral pursuant to the provisions of Section 2.14 of this Agreement and the Facilities Fee Letter.

"Loan Modification Agreement" means a Loan Modification Agreement in form and substance reasonably satisfactory to the Administrative Agent and the Loan Parties, among the Loan Parties, one or more Accepting Lenders and the Administrative Agent.

"Loan Modification Offer" has the meaning specified in Section 2.16(a).

"Loan Notice" means a notice of (a) a Borrowing of Loans, (b) a conversion of Loans from one Type to the other, or (c) a continuation of ~~Eurodollar Rate~~Term SOFR Loans, in each case pursuant to Section 2.02(a), which shall be substantially in the form of Exhibit A or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

"Loan Parties" means the Borrower and each Guarantor.

~~"London Banking Day" means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.~~

"Maintenance Leverage Ratio" has the meaning specified in Section 7.05.

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

"Material Adverse Effect" means a materially adverse effect on the financial condition, results of operations or business of the Company and the Subsidiaries, taken as a whole.

"Material Indebtedness" means Indebtedness (other than the Loans and Letters of Credit), or obligations in respect of any Hedging Agreement, of the Company or any of the Subsidiaries in a principal amount exceeding $200,000,000 (in each case, other than intercompany Indebtedness owing to the Parent or any of its Subsidiaries). For purposes of determining Material Indebtedness, the "principal amount" of the obligations of the Company or any Subsidiary in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Company or such Subsidiary would be required to pay if such Hedging Agreement were terminated at such time.

"Material Subsidiary" means and includes, at any time, any Subsidiary, except Subsidiaries which, if aggregated and considered as a single Subsidiary, would not meet the definition of a "significant subsidiary" contained as of the date hereof in Regulation S-X of the Securities and Exchange Commission.

"Maturity Date" means (i) with respect to any Lender that has not extended the Maturity Date of its Commitment pursuant to Section 2.16, the Original Maturity Date and (ii) with respect to any tranche of Loans extended pursuant to a Loan Modification Offer, the final maturity date as specified in the applicable Loan Modification Offer accepted by the respective Accepting Lenders; *provided*, in each case, that if such day is not a Business Day, the applicable Maturity Date shall be the Business Day immediately preceding such day.

"Maximum Rate" has the meaning specified in Section 11.09.

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Non-Accepting Lender" has the meaning specified in Section 2.16(a).

"Non-Consenting Lender" has the meaning specified in Section 11.13.

"Non-Extension Notice Date" has the meaning specified in Section 2.03(b)(iii).

"Note" or "Notes" means the Revolving Notes and/or the Swing Line Note, individually or collectively, as appropriate.

"Obligations" means all advances to, and debts, liabilities, obligations, covenants and duties of, the Loan Parties arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against the Company or any Subsidiary thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"Organization Documents" means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the 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 and, if applicable, any certificate or articles of formation or organization of such entity.

"Original Maturity Date" means the date that is the fifth anniversary of the Third Amendment and Restatement Effective Date.

"Other Connection Taxes" means, with respect to any recipient of a payment hereunder, Taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing such Tax (other than connections arising solely from such recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp or documentary Taxes or any other excise or property Taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 11.13).

"Outstanding Amount" means (a) with respect to any Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of any Loans occurring on such date; and (b) with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the Borrower of Unreimbursed Amounts.

"Parent" means the entity identified as the Parent in accordance with Section 11.23, which shall be an entity which at all times is organized under the laws of a jurisdiction of the United States and directly or indirectly through one or more Intermediate Holding Companies owns 100% of the Equity Interests of the Borrower.

"Parent Guarantee" has the meaning specified in Section 11.23(c).

"Participant" has the meaning specified in Section 11.06(d).

"Participant Register" has the meaning specified in Section 11.06(d).

"PBGC" means the Pension Benefit Guaranty Corporation or any successor thereto.

"Pension Act" means the Pension Protection Act of 2006, as amended from time to time.

"Permitted Amendment" has the meaning specified in Section 2.16(c).

"Permitted Holdco Reorganization" means a transaction pursuant to which the Borrower becomes a Wholly Owned Subsidiary of the Parent as contemplated by, and subject to the conditions set forth in, Section 11.23.

"Permitted Reorganization Merger Subsidiary" has the meaning specified in Section 11.23.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Internal Revenue Code or Section 302 of ERISA, and in respect of which the Company or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Platform" has the meaning specified in Section 6.04.

~~"Pre-Adjustment Successor Rate" has the meaning specified in as defined in Section 3.03(c).~~

"Pricing Level" has the meaning specified in the definition of "Applicable Rate".

"Pro Forma Basis" means, for purposes of calculating the financial covenant set forth in Section 7.05, any Disposition, Involuntary Disposition, Acquisition or Restricted Payment shall be deemed to have occurred as of the first day of the most recent four fiscal quarter period preceding the date of such transaction for which the Company was required to deliver financial statements pursuant to Section 6.04(a) or (b). In connection with the foregoing, (i)(a) with respect to any Disposition or Involuntary Disposition, income statement and cash flow statement items (whether positive or negative) attributable to the property disposed of shall be excluded to the extent relating to any period occurring prior to the date of such transaction and (b) with respect to any Acquisition, income statement items attributable to the Person or property acquired shall be included to the extent relating to any period applicable in such calculations to the extent (A) such items are not otherwise included in such income statement items for the Company and its Subsidiaries in accordance with GAAP or in accordance with any defined terms set forth in Section 1.01 and (B) such items are supported by financial statements or other information reasonably satisfactory to the Administrative Agent and (ii) any Indebtedness incurred or assumed by the Company or any Subsidiary (including the Person or property acquired) in connection with such transaction (A) shall be deemed to have been incurred as of the first day of the applicable period and (B) 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.

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

"Public Lender" has the meaning specified in Section 6.04.

"QFC Credit Support" has the meaning specified in Section 11.22.

"Qualified Acquisition" means any acquisition by the Company or any Subsidiary of (i) all or substantially all of the assets of a Person or line of business of such Person, or (ii) at least a majority of the Equity Interests of a Person, in each case, where the aggregate consideration (in whatever form) payable by the Company and its Subsidiaries is greater than $1,000,000,000.

"Receivables Purchase Transaction" means an arrangement whereby the Borrower or any of its Subsidiaries (including a special purpose subsidiary) sells, on a non-recourse basis, except to the extent customary in a "true sale" arrangement, its accounts receivable in connection with the collection of such accounts receivable in the ordinary course of business.

"Register" has the meaning specified in Section 11.06(c).

~~"Related Adjustment" means, in determining any LIBOR Successor Rate, the first relevant available alternative set forth in the order below that can be determined by the Administrative Agent applicable to such LIBOR Successor Rate: (a) the spread adjustment, or method for calculating or determining such spread adjustment, that has been selected or recommended by the Relevant Governmental Body for the relevant Pre-Adjustment Successor Rate (taking into account the interest period, interest payment date or payment period for interest calculated and/or tenor thereto) and which adjustment or method (i) is published on an information service as selected by the Administrative Agent from time to time in its discretion or (ii) solely with respect to Term SOFR, if not currently published, which was previously so recommended for Term SOFR and published on an information service~~

~~acceptable to the Administrative Agent; or (b) the spread adjustment that would apply (or has previously been applied) to the fallback rate for a derivative transaction referencing the ISDA Definitions (taking into account the interest period, interest payment date or payment period for interest calculated and/or tenor thereto).~~

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees and advisors of such Person and of such Person's Affiliates.

~~"Relevant Governmental Body" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York.~~

"Removal Effective Date" has the meaning specified in Section 9.06(b).

"Replaced Lender" has the meaning specified in Section 11.13.

"Request for Credit Extension" means (a) with respect to a Borrowing, conversion or continuation of Loans, a 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, at any time, Lenders holding in the aggregate more than 50% of (a) the unfunded Commitments, the outstanding Loans, L/C Obligations and participations therein or (b) if the Commitments have been terminated, the outstanding Loans, L/C Obligations and participations therein. The unfunded Commitments of, and the outstanding Loans held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

"Rescindable Amount" has the meaning specified in Section 2.12(b)(ii).

"Resignation Effective Date" has the meaning specified in Section 9.06(a).

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

"Responsible Officer" means the chief executive officer, president, chief financial officer, treasurer, assistant treasurer or controller of the applicable Loan Party and, solely for purposes of the delivery of certificates pursuant to Section 4.01, the secretary or any assistant secretary of such Loan Party and, solely for purposes of notices given pursuant to Article II, any other officer or employee of such Loan Party so designated by any of the foregoing officers in a notice to the Administrative Agent or any other officer or employee of such Loan Party designated in or pursuant to an agreement between such Loan Party and the Administrative Agent. 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.

"Restricted Payment" means (a) any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Company or any Subsidiary, or (b) any Share Repurchase. It is understood that the withholding of shares, and the payment of cash to the Internal Revenue Service in an amount not to exceed the value of the withheld shares, by the Company in connection with any of its stock incentive plans shall not constitute Restricted Payments.

"Revolving Commitment" means, as to each Lender, its obligation to (a) make Revolving Loans to the Borrower pursuant to Section 2.01, (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 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 Loan" has the meaning specified in Section 2.01(a).

"Revolving Note" has the meaning specified in Section 2.11(a).

"S&P" means S&P Global Ratings, a subsidiary of S&P Global, Inc., and any successor thereto.

"Sale and Leaseback Transaction" means, with respect to the Company or any Subsidiary, any arrangement, directly or indirectly, with any Person whereby the Company or such Subsidiary shall sell or transfer any property used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold or transferred.

"Sanctions" means any economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the United States Government (including without limitation those administered by OFAC or the U.S. Department of State), or (b) the United Nations Security Council, the European Union, any European Union member state, ~~Her~~His Majesty's Treasury of the United Kingdom or other relevant sanctions authority.

"Scheduled Unavailability Date" has the meaning specified in Section 3.03(b)(ii).

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Securitization Transaction" means, with respect to any Person, any financing ~~transaction or series of financing transactions (including factoring arrangements) pursuant to~~arrangement under which such Person or any Subsidiary of such Person may sell, convey or otherwise transfer, or grant a security interest in, accounts, payments, receivables, rights to future lease payments or residuals or similar rights to payment to a ~~special purpose subsidiary or affiliate of such Person.~~trust, partnership, corporation, limited liability company or other entity (which may be an SPE Subsidiary), which transfer is funded in whole or in part, directly or indirectly, by the incurrence or issuance by the transferee or successor transferee (which may be an SPE Subsidiary) of Indebtedness, other securities or interests that are to receive payments from, or that represent interests in, the cash flow derived from such accounts, payments, receivables, rights to future lease payments or residuals or similar rights to payment; provided, that a Receivables Purchase Transaction shall not constitute a Securitization Transaction.

"Share Repurchase" means the payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancelation or termination of any Equity Interests in the Company or any Subsidiary, other than (i) a payment to the extent consisting of Equity Interests of equal or junior ranking and (ii) acquisitions of Equity Interests pursuant to employee and/or director stock plans or employee and/or director compensation plans, including acquisitions (or withholding) of Equity Interests in the Company or any Subsidiary pursuant to any such plan pursuant to the term thereof or in satisfaction of withholding or similar taxes payable by any present or former officer, employee, director or member of management.

"SOFR" means, with respect to any ~~Business Day, the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark (or a successor administrator)~~applicable determination date, the Secured Overnight Financing Rate published on the U.S. Government Securities Business Day preceding such date by the SOFR Administrator on the Federal Reserve Bank of New ~~York's~~York's website (or any successor source)~~ at approximately 8:00 a.m. (New York City time) on the immediately succeeding Business Day and, in each case, that has been selected or recommended by the Relevant Governmental Body.~~; provided however that if such determination date is not a U.S. Government Securities Business Day, then SOFR means such rate that applied on the first U.S. Government Securities Business Day immediately prior thereto.

"SOFR Adjustment" means 0.10%.

"SOFR Administrator" means the Federal Reserve Bank of New York, as the administrator of SOFR, or any successor administrator of SOFR designated by the Federal Reserve Bank of New York or other Person acting as the SOFR Administrator at such time that is satisfactory to the Administrative Agent.

"SPE Subsidiary" means any Subsidiary formed solely for the purpose of, and that engages only in, one or more Securitization Transactions and transactions related or incidental thereto.

"Subordinated Indebtedness" means any Indebtedness of the Borrower that is subordinated to the Obligations.

"Subsidiary" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of Voting Stock is 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 the Company.

"Subsidiary Guarantor" has the meaning specified in Section 6.09(c).

"Successor Rate" has the meaning specified in Section 3.03(b).

"Swing Line Lender" means Bank of America in its capacity as provider of Swing Line Loans, or any successor swing line lender hereunder.

"Swing Line Loan" has the meaning specified in Section 2.04(a).

"Swing Line Loan Notice" means a notice of a Borrowing of Swing Line Loans pursuant to Section 2.04(b), which shall be substantially in the form of Exhibit B or such other form as approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approve by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

"Swing Line Note" has the meaning specified in Section 2.11(a).

"Swing Line Sublimit" means an amount equal to the lesser of (a) $100,000,000 and (b) the Aggregate Revolving Commitments. The Swing Line Sublimit is part of, and not in addition to, the Aggregate Revolving Commitments.

"Synthetic Lease" means any synthetic lease, tax retention operating lease, off-balance sheet loan or similar off-balance sheet financing arrangement whereby the arrangement is considered borrowed money indebtedness for tax purposes but is classified as an operating lease or does not otherwise appear on a balance sheet under GAAP.

"Supported QFC" has the meaning specified in Section 11.22.

"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 SOFR" means:

(a) for any Interest Period with respect to a Term SOFR Loan, the rate per annum equal to the Term SOFR Screen Rate two U.S. Government Securities Business Days prior to the commencement of such Interest Period with a term equivalent to such Interest Period; provided that if the rate is not published prior to 11:00 a.m. on such determination date then Term SOFR means the Term SOFR Screen Rate on the first U.S. Government Securities Business Day immediately prior thereto, in each case, plus the SOFR Adjustment for such Interest Period; and

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to the Term SOFR Screen Rate with a term of one month commencing that day;

provided that if Term SOFR determined in accordance with either of the foregoing provisions (a) or (b) of this definition would otherwise be less than zero, Term SOFR shall be deemed zero for purposes of this Agreement.

"Term SOFR Loan" means a Loan that bears interest at a rate based on clause (a) of the definition of Term SOFR.

"Term SOFR Replacement Date" has the meaning specified in Section 3.03(b).

"Term SOFR Screen Rate" means the forward-looking SOFR term rate ~~for any period that is approximately (as determined by~~administered by CME (or any successor administrator satisfactory to the Administrative Agent) ~~as long as any of the Interest Period options set forth in the definition of "Interest Period" and that is based on SOFR and that has been selected or recommended by the Relevant Governmental Body, in each case as published on an information service as selected~~and published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time ~~in its discretion.~~). For the purposes of this definition, "SOFR" shall mean the Secured Overnight Financing Rate as administered by the Federal Reserve Bank of New York (or a successor administrator).

"Third Amendment and Restatement Effective Date" means April 30, 2021.

"Total Debt" means, at any time, (a) the consolidated total Indebtedness of the Company and the Subsidiaries at such time (excluding (i) Indebtedness of the type described in clause (h) of the definition of such term, except to the extent of any unreimbursed drawings thereunder, as determined in accordance with GAAP, and (ii) Indebtedness incurred for the purpose of consummating a Qualified Acquisition if (and for so long as) (A) such Qualified Acquisition has not been consummated and (B) (x) the proceeds of such Indebtedness are held by the Company or any of its Subsidiaries in the form of unrestricted cash or cash equivalents or (y) such Indebtedness is subject to mandatory redemption in the event such Qualified Acquisition is not consummated) minus, (b) the aggregate amount of unrestricted cash and cash equivalents of the Company and its Subsidiaries in excess of $500,000,000.

"Total Revolving Outstandings" means the aggregate Outstanding Amount of all Revolving Loans, all Swing Line Loans and all L/C Obligations.

"Transactions" has the meaning specified in Section 5.02.

"Type" means, with respect to any Loan, its character as a Base Rate Loan, a Daily ~~Floating LIBOR Rate~~Simple SOFR Loan or a ~~Eurodollar Rate~~Term SOFR Loan.

"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 subject to 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.

"United States" and "U.S." mean the United States of America.

"Unreimbursed Amount" has the meaning specified in Section 2.03(c)(i).

"USA PATRIOT Act" means The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. No. 107-56 (signed into law October 26, 2001)).

"U.S. Government Securities Business Day" means any Business Day, except any Business Day on which any of the Securities Industry and Financial Markets Association, the New York Stock

Exchange or the Federal Reserve Bank of New York is not open for business because such day is a legal holiday under the federal laws of the United States or the laws of the State of New York, as applicable

"U.S. Special Resolution Regimes" has the meaning specified in Section 11.22.

"Voting Stock" means, with respect to any Person, Equity Interests issued by such Person the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even though the right so to vote has been suspended by the happening of such a contingency.

"Wells Fargo Bank" means Wells Fargo Bank, National Association.

"WFS" means Wells Fargo Securities, LLC, in its capacity as joint lead arranger and joint book manager.

"Wholly Owned Subsidiary" means any Person 100% of whose Equity Interests are at the time owned by the Company directly or indirectly through other Persons 100% of whose Equity Interests are at the time owned, directly or indirectly, by the Company.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"Write-Down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

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 assigns, (iii) the words "hereto", "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, (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any

and all real and personal property and tangible and intangible assets and properties, including cash, securities, accounts and contract rights and (vii) any reference to "L/C Issuer" shall refer to any L/C Issuer, each L/C Issuer, the applicable L/C Issuer or all L/C Issuers as the context may require.

(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.

1.03 Accounting Terms.

(a) Generally. Except as otherwise specifically prescribed herein, 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; provided, however, that calculations of Attributable Indebtedness under any Synthetic Lease or the implied interest component of any Synthetic Lease shall be made by the Company in accordance with accepted financial practice and consistent with the terms of such Synthetic Lease.

(b) Changes in GAAP. The Company will provide a written summary of material changes in GAAP and in the consistent application thereof with each annual and quarterly Compliance Certificate delivered in accordance with Section 6.04(c). If at any time any change (or any application thereof following such change) in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Loan Parties shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP or the application thereof (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 in effect prior to such change therein (or the application thereof) and (ii) the Company shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP (or the application thereof). Notwithstanding any other provision contained herein, all obligations of any Person that are or would be characterized as an operating lease as determined in accordance with GAAP as in effect on December 31, 2018 (whether or not such operating lease was in effect on such date) shall continue to be accounted for as an operating lease (and not as a Capital Lease Obligation) for purposes of this Agreement regardless of any change in GAAP following December 31, 2018 that would otherwise require such obligation to be recharacterized as a Capital Lease Obligation.

(c) Calculations. Notwithstanding the above, the parties hereto acknowledge and agree that all calculations of the financial covenant in Section 7.05 shall be made on a Pro Forma Basis.

(d) FASB ASC 825 and FASB ASC 470-20. Notwithstanding the above, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Company and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

1.04 Rounding.

Any financial ratios required to be maintained by the Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.05 Times of Day.

Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

1.06 Letter of Credit Amounts.

Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

1.07 Divisions.

For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

1.08 Interest Rates.

The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to ~~the rates in the definitions of "Eurodollar Rate" or "Daily Floating LIBOR Rate"~~any reference rate referred to herein or with respect to any rate (including, for the avoidance of doubt, the selection of such rate and any related spread or other adjustment) that is an alternative or replacement for or successor to any ~~of~~ such rate (including, without limitation, any ~~LIBOR~~ Successor Rate) (or any component of any of the foregoing) or the effect of any of the foregoing, or of any ~~LIBOR Successor Rate~~ Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions or other activities that affect any reference rate referred to herein, or any alternative, successor or replacement rate (including, without limitation, any Successor Rate) (or any component of any of the foregoing) or any related spread or other 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 any reference rate referred to herein or any alternative, successor or replacement rate (including, without limitation, any Successor Rate) (or any component of any of the foregoing), in each case pursuant to the terms of this Agreement, and shall have no liability to the 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 or other action or omission related to or affecting the selection, determination, or calculation of any rate (or component thereof) provided by any such information source or service.

ARTICLE II

THE COMMITMENTS AND CREDIT EXTENSIONS

2.01 Commitments.

Subject to the terms and conditions set forth herein, each Lender severally agrees to make loans (each such loan, a "Revolving Loan") to the Borrower in Dollars from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of such Lender's Revolving Commitment; provided, however, that after giving effect to any Borrowing of Revolving Loans, (i) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments, and (ii) the aggregate Outstanding Amount of the Revolving Loans of any Lender, plus

such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations plus such Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender's Revolving Commitment. Within the limits of each Lender's Revolving Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01, prepay under Section 2.05, and reborrow under this Section 2.01. Revolving Loans may be Base Rate Loans or ~~Eurodollar Rate~~Term SOFR Loans, or a combination thereof, as further provided herein.

2.02 Borrowings, Conversions and Continuations of Loans.

(a) Each Borrowing, each conversion of Loans from one Type to the other, and each continuation of ~~Eurodollar Rate~~Term SOFR Loans shall be made upon the Borrower's irrevocable notice to the Administrative Agent, which may be given by (A) telephone, or (B) a Loan Notice; provided that any telephonic notice must be confirmed promptly by delivery to the Administrative Agent of a Loan Notice. Each such Loan Notice must be received by the Administrative Agent not later than 11:00 a.m. (i) three Business Days prior to the requested date of any Borrowing of, conversion to or continuation of, ~~Eurodollar Rate~~Term SOFR Loans or of any conversion of ~~Eurodollar Rate~~Term SOFR Loans to Base Rate Loans, and (ii) on the requested date of any Borrowing of Base Rate Loans~~; provided, however, that if the Borrower wishes to request Eurodollar Rate Loans having an Interest Period other than one, three or six months in duration as provided in the definition of "Interest Period," the applicable notice must be received by the Administrative Agent not later than 11:00 a.m. four Business Days prior to the requested date of such Borrowing, conversion or continuation, whereupon the Administrative Agent shall give prompt notice to the Lenders of such request and determine whether the requested Interest Period is acceptable to all of them~~. Not later than 11:00 a.m., three Business Days before the requested date of such Borrowing, conversion or continuation, the Administrative Agent shall notify the Borrower (which notice may be by telephone) whether or not the requested Interest Period has been consented to by all the Lenders. Each Borrowing of, conversion to or continuation of ~~Eurodollar Rate~~Term SOFR Loans shall be in a principal amount of $2,000,000 or a whole multiple of $1,000,000 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 $1,000,000 or a whole multiple of $500,000 in excess thereof. Each Loan Notice shall specify (i) whether the Borrower is requesting a Borrowing, a conversion of Loans from one Type to the other, or a continuation of ~~Eurodollar Rate~~Term SOFR Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be borrowed, converted or continued, (iv) the Type of Loans to be borrowed or to which existing Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a Type of a Loan in a Loan Notice or if the Borrower fails 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 ~~Eurodollar Rate~~Term SOFR Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of ~~Eurodollar Rate~~Term SOFR Loans in any 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 Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount of its Applicable Percentage of the applicable Loans, and if no timely notice of a conversion or continuation is provided by the Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans as described in the preceding subsection. In the case of a Borrowing, each Lender shall make the amount of its Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 1:00 p.m. on the Business Day specified in the applicable 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), the Administrative Agent shall make all funds so received available to the Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of the Borrower on the books of Bank of America with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the Borrower; provided, however, that if, on the date of a Borrowing of Revolving Loans, there are L/C Borrowings outstanding, then the proceeds of such Borrowing, first, shall be applied to the payment in full of any such L/C Borrowings and second, shall be made available to the Borrower as provided above.

(c) Except as otherwise provided herein, a ~~Eurodollar Rate~~Term SOFR Loan may be continued or converted only on the last day of the Interest Period for such ~~Eurodollar Rate~~Term SOFR Loan. During the existence of a Default, no Loans may be requested as Daily ~~Floating LIBOR Rate~~Simple SOFR Loans or requested as, converted to or continued as ~~Eurodollar Rate~~Term SOFR Loans without the consent of the Required Lenders, and the Required Lenders may demand that any or all of the then outstanding Daily ~~Floating LIBOR Rate~~Simple SOFR Loans and/or ~~Eurodollar Rate~~Term SOFR Loans be converted immediately to Base Rate Loans.

(d) The Administrative Agent shall promptly notify the Borrower and the Lenders of the interest rate applicable to any Interest Period for ~~Eurodollar Rate~~Term SOFR Loans upon determination of such interest rate. At any time that Base Rate Loans are outstanding, the Administrative Agent shall notify the Borrower and the Lenders of any change in Bank of America's prime rate used in determining the Base Rate promptly following the public announcement of such change.

(e) After giving effect to all Borrowings, 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 10 Interest Periods in effect with respect to all Loans.

(f) With respect to SOFR or Term SOFR, the Administrative Agent will have the right, in consultation with the Borrower, 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; provided that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing such Conforming Changes to the Borrower and the Lenders reasonably promptly after such amendment becomes effective.

(~~f~~g) The Borrower may, at any time and from time to time, upon prior written notice by the Borrower to the Administrative Agent increase the Aggregate Revolving Commitments (which increase (x) may provide for the payment of upfront fees in consideration for such increase solely to existing and new Lenders participating in such increase and (y) at the election of the Borrower and subject to the written consent of the L/C Issuers and/or the Swing Line Lender, as applicable, may increase the Letter of Credit Sublimit and/or the Swing Line Sublimit in a ratable amount relative to the increase in the Aggregate Revolving Commitments) by a maximum aggregate amount of up to FIVE HUNDRED MILLION DOLLARS ($500,000,000) with additional Revolving Commitments from any existing Lender with a Revolving Commitment or new Revolving Commitments from any other Person selected by the Borrower and reasonably acceptable to the Administrative Agent and the L/C Issuers; provided that:

(A) any such increase shall be in a minimum principal amount of $10,000,000 and in integral multiples of $1,000,000 in excess thereof;

(B) no Default or Event of Default shall exist and be continuing at the time of any such increase;

(C) no existing Lender shall be under any obligation to increase its Commitment and any such decision whether to increase its Commitment shall be in such Lender's sole and absolute discretion;

(D) (1) any new Lender shall join this Agreement by executing a joinder agreement substantially in the form of Exhibit G attached hereto and/or (2) any existing Lender electing to increase its Commitment shall have executed a commitment agreement reasonably satisfactory to the Administrative Agent;

(E) the Borrower is in compliance with the financial covenant set forth in Section 7.05 at the time of any such increase;

(F) as a condition precedent to such increase, (I) the Borrower shall deliver to the Administrative Agent a certificate of the Borrower dated as of the date of such increase signed by a Responsible Officer of the Borrower (1) certifying and attaching the resolutions adopted by the Borrower approving or consenting to such increase, and (2) certifying that, before and after

giving effect to such increase, (x) the representations and warranties contained in Article V and the other Loan Documents are true and correct in all material respects on and as of the date of such increase, except that (i) any such representation and warranty that is qualified by materiality or a reference to Material Adverse Effect is true and correct in all respects on and as of the date of such increase and (ii) to the extent that any such representation and warranty specifically refers to an earlier date, each such representation and warranty is true and correct in all material respects as of such earlier date (except that any such representation and warranty that is qualified by materiality or reference to Material Adverse Effect is true and correct in all respects as of such earlier date), and except that for purposes of this Section 2.02(~~f~~g), the representations and warranties contained in Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.04, and (y) no Default or Event of Default exists and (II) the Guarantors, if any, shall deliver to the Administrative Agent a certificate reaffirming their obligations under this Agreement; and

(G) Schedule 2.01 shall be deemed revised to reflect the new Commitments made by the applicable Lenders pursuant to this Section 2.02(~~f~~g).

Upon the effectiveness of any such increase, subject to the payment of applicable amounts pursuant to Section 3.05 in connection therewith, the Borrower shall be deemed to have made such borrowings and repayments of the Loans, and the Lenders shall make such adjustments of outstanding Loans between and among them, as shall be necessary to effect the reallocation of the Commitments such that, after giving effect thereto, the Loans shall be held by the Lenders (including any new Lenders) ratably in accordance with their respective Commitments.

2.03 Letters of Credit.

(a) The Letter of Credit Commitment.

(i) Subject to the terms and conditions set forth herein, (A) each L/C Issuer agrees, in reliance upon the agreements of the Lenders set forth in this Section 2.03, (1) from time to time on any Business Day during the period from the Third Amendment and Restatement Effective Date until the Letter of Credit Expiration Date, to issue Letters of Credit denominated in Dollars for the account of the Borrower, the Parent (solely after the Holdco Reorganization Effective Date) or any Subsidiary, and to amend or extend Letters of Credit previously issued by it, in accordance with subsection (b) below, and (2) to honor drawings under the Letters of Credit; and (B) the Lenders severally agree to participate in Letters of Credit issued for the account of the Borrower, the Parent or any Subsidiary and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (w) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments, (x) the aggregate Outstanding Amount of the Revolving Loans of any Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations plus such Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender's Revolving Commitment, (y) the Outstanding Amount of the L/C Obligations shall not exceed the Letter of Credit Sublimit and (z) the Outstanding Amount of L/C Obligations with respect to any L/C Issuer shall not exceed such L/C Issuer's L/C Fronting Sublimit. Each request by the Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Borrower that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed.

(ii) An L/C Issuer shall not 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 more than twelve months after the date of issuance or last extension, unless the Required Lenders have approved such expiry date; or

(B) the expiry date of such requested Letter of Credit would occur after the date twelve months after the Maturity Date, unless all the Lenders have approved such expiry date.

(iii) An L/C Issuer shall not be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such L/C Issuer from issuing such Letter of Credit, or any Law applicable to such L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such L/C Issuer shall prohibit, or request that such L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon such L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which such L/C Issuer is not otherwise compensated hereunder) not in effect on the Third Amendment and Restatement Effective Date, or shall impose upon such L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Third Amendment and Restatement Effective Date and which such L/C Issuer in good faith deems material to it;

(B) the issuance of such Letter of Credit would violate one or more policies of such L/C Issuer applicable to letters of credit generally;

(C) such Letter of Credit is to be denominated in a currency other than Dollars; or

(D) any Lender is at that time a Defaulting Lender, unless such L/C Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to such L/C Issuer (in its sole discretion) with the Borrower or such Lender to eliminate such L/C Issuer's actual or potential Fronting Exposure (after giving effect to Section 2.15(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 such L/C Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion.

(iv) An L/C Issuer shall not amend any Letter of Credit if such L/C Issuer would not be permitted at such time to issue the Letter of Credit in its amended form under the terms hereof.

(v) An L/C Issuer shall be under no obligation to amend any Letter of Credit if (A) such 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.

(vi) An L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and such L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article IX with respect to any acts taken or omissions suffered by such 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 such L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to such L/C Issuer.

(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 the Borrower delivered to the relevant L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the Borrower. Such Letter of Credit Application must be received by the

relevant L/C Issuer and the Administrative Agent not later than 11:00 a.m. at least five (5) Business Days (or such later date and time as the Administrative Agent and the relevant 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, such Letter of Credit Application shall specify in form and detail satisfactory to the relevant L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the purpose and nature of the requested Letter of Credit; and (H) such other matters as the relevant 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 relevant L/C Issuer (A) the Letter of Credit to be amended; (B) the proposed date of amendment thereof (which shall be a Business Day); (C) the nature of the proposed amendment; and (D) such other matters as the relevant L/C Issuer may reasonably require. Additionally, the Borrower shall furnish to the relevant L/C Issuer and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the relevant L/C Issuer or the Administrative Agent may reasonably require.

(ii) Promptly after receipt of any Letter of Credit Application, the relevant L/C Issuer will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from the Borrower and, if not, such L/C Issuer will provide the Administrative Agent with a copy thereof. Unless the relevant L/C Issuer has received written notice from any Lender, the Administrative Agent or the 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 be satisfied, then, subject to the terms and conditions hereof, such L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the Borrower or the applicable Subsidiary or enter into the applicable amendment, as the case may be, in each case in accordance with such L/C Issuer's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from such L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Applicable Percentage times the amount of such Letter of Credit.

(iii) If the Borrower so requests in any applicable Letter of Credit Application, the relevant L/C Issuer may, in its sole discretion, agree to issue a 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 relevant 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. The Borrower shall not be required to make a specific request to the relevant L/C Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the relevant L/C Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the date twelve months after the Maturity Date; provided, however, that the relevant L/C Issuer shall not permit any such extension if (A) such L/C Issuer has determined that it would not be permitted, or would have no obligation, at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (ii) or (iii) of Section 2.03(a) or otherwise), or (B) it has received notice (which may be by telephone or in writing) on or before the day that is seven Business Days before the Non-Extension Notice Date from the Administrative Agent, any Lender or the Borrower that one or more of the applicable conditions specified in Section 4.02 is not then satisfied, and in each case directing such 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 relevant L/C

Issuer will also deliver to the Borrower and the 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 drawing under such Letter of Credit, the relevant L/C Issuer shall notify the Borrower and the Administrative Agent thereof. Not later than 11:00 a.m. on the date of any payment by an L/C Issuer under a Letter of Credit (each such date, an "Honor Date"), the Borrower shall reimburse such L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing. If the Borrower does not reimburse such L/C Issuer by such time, the Administrative Agent shall promptly notify each Lender of the Honor Date, the amount of the unreimbursed drawing (the "Unreimbursed Amount"), and the amount of such Lender's Applicable Percentage thereof. In such event, the Borrower shall be deemed to have requested a 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 2.02 for the principal amount of Base Rate Loans, but subject to the conditions set forth in Section 4.02 (other than the delivery of a Loan Notice) and provided that, after giving effect to such Borrowing, the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments. Any notice given by an L/C Issuer or the 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 Lender shall upon any notice pursuant to Section 2.03(c)(i) make funds available (and the Administrative Agent may apply Cash Collateral provided for this purpose) to the Administrative Agent for the account of the relevant L/C Issuer at the Administrative Agent's Office in an amount equal to its Applicable Percentage of the Unreimbursed Amount not later than 1:00 p.m. on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.03(c)(iii), each Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the relevant L/C Issuer.

(iii) With respect to any Unreimbursed Amount that is not (x) fully refinanced by a Borrowing of Base Rate Loans because the conditions set forth in Section 4.02 cannot be satisfied or for any other reason or (y) otherwise reimbursed by the Borrower on the Honor Date, the Borrower shall be deemed to have incurred from the relevant 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 Lender's payment to the Administrative Agent for the account of the relevant 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 Lender in satisfaction of its participation obligation under this Section 2.03.

(iv) Until each Lender funds its Revolving Loan or L/C Advance pursuant to this Section 2.03(c) to reimburse the relevant L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Applicable Percentage of such amount shall be solely for the account of the relevant L/C Issuer.

(v) Each Lender's obligation to make Revolving Loans or L/C Advances to reimburse an 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 setoff, counterclaim, recoupment, defense or other right which such Lender may have against the relevant L/C Issuer, the Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Revolving Loans pursuant to this Section 2.03(c) is subject to the conditions set forth in Section 4.02 (other than delivery by the Borrower of a Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrower

to reimburse the relevant L/C Issuer for the amount of any payment made by such L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Lender fails to make available to the Administrative Agent for the account of the relevant L/C Issuer any amount required to be paid by such 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, such L/C Issuer shall be entitled to recover from such Lender (acting through the 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 such L/C Issuer at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by such L/C Issuer in accordance with banking industry rules on interbank compensation. A certificate of an L/C Issuer submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (vi) shall be conclusive absent manifest error.

(d) Repayment of Participations.

(i) At any time after an L/C Issuer has made a payment under any Letter of Credit and has received from any Lender such Lender's L/C Advance in respect of such payment in accordance with Section 2.03(c), if the Administrative Agent receives for the account of such L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Applicable Percentage thereof (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's L/C Advance was outstanding) in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of an L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned under any of the circumstances described in Section 11.05 (including pursuant to any settlement entered into by such L/C Issuer in its discretion), each Lender shall pay to the Administrative Agent for the account of such L/C Issuer its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Obligations Absolute. The obligation of the Borrower to reimburse the relevant L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be 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 Loan Document;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that the 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 relevant 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 presented under 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 relevant 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 relevant 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, the Borrower or any Subsidiary.

The Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Borrower's instructions or other irregularity, the Borrower will promptly notify the relevant L/C Issuer. The Borrower shall be conclusively deemed to have waived any such claim against the relevant L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) Role of L/C Issuer. Each Lender and the Borrower agree that, in paying any drawing under a Letter of Credit, the relevant L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by such 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 Issuers, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of any 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 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. The 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; provided, however, that this assumption is not intended to, and shall not, preclude the Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuers, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of any L/C Issuer shall be liable or responsible for any of the matters described in clauses (i) through (v) of Section 2.03(e); provided, however, that anything in such clauses to the contrary notwithstanding, the Borrower may have a claim against an L/C Issuer, and such L/C Issuer may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower which the Borrower proves were caused by such L/C Issuer's willful misconduct or gross negligence or such L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit unless the L/C Issuer is prevented or prohibited from so paying as a result of any order or directive of any court or other Governmental Authority. In furtherance and not in limitation of the foregoing, each 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 no L/C Issuer shall be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to 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 relevant L/C Issuer and the Borrower 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) Letter of Credit Fees. The Borrower shall pay to the Administrative Agent for the account of each Lender in accordance with its Applicable Percentage a Letter of Credit fee (the "Letter of Credit Fee") for each Letter of Credit equal to the Applicable Rate times the daily maximum amount available to be drawn 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 relevant L/C Issuer pursuant to this Section 2.03 shall not be paid to such Defaulting Lender but shall be payable, to the maximum extent

permitted by applicable Law, to the other Lenders in accordance with the upward adjustments in their respective Applicable Percentages allocable to such Letter of Credit pursuant to Section 2.15(a)(iv), with the balance (unless the Borrower has provided Cash Collateral to the relevant L/C Issuer in an amount sufficient to remove such L/C Issuer's Fronting Exposure in respect of such Defaulting Lender remaining after giving effect to Section 2.15(a)(iv) in which case no Letter of Credit Fee shall be payable in respect of such amount sufficient to remove such Fronting Exposure) of such fee, if any, payable to the relevant L/C Issuer for its own account. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. Letter of Credit Fees shall be (i) computed on a quarterly basis in arrears and (ii) due and payable on the first Business Day after the end of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Maturity Date and thereafter on demand. If there is any change in the Applicable Rate during any quarter, the daily amount available to be drawn under each Letter of Credit shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect.

(i) Fronting Fee and Documentary and Processing Charges Payable to L/C Issuers. The Borrower shall pay directly to each L/C Issuer for its own account a fronting fee with respect to each Letter of Credit, at the rate per annum equal to 0.125%), computed on the actual 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) and on a quarterly basis in arrears. Such fronting fee shall be due and payable on the tenth Business Day after the end of each March, June, September and December in respect of the most recently-ended quarterly period (or portion thereof, in the case of the first payment), commencing with the first such date to occur after the issuance of such Letter of Credit, on the Maturity Date and thereafter on demand. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. In addition, the Borrower shall pay directly to each L/C Issuer for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of such L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable by the Borrower promptly following receipt of a reasonably detailed invoice therefor and are nonrefundable.

(j) 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.

(k) Letters of Credit Issued for Subsidiaries or the Parent. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary or the Parent, the Borrower shall be obligated to reimburse the relevant L/C Issuer hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of Subsidiaries or the Parent inures to the benefit of the Borrower, and that the Borrower's business derives substantial benefits from the businesses of the Parent and such Subsidiaries.

(l) Increases in Letter of Credit Sublimit and L/C Fronting Sublimit.

(i) From time to time during the term of this Agreement, the Borrower may, upon notice to the Administrative Agent (which shall promptly notify the L/C Issuers and the Lenders) and subject to the terms and conditions of this Section 2.03(l), request that the L/C Issuers agree to (x) increase the Letter of Credit Sublimit by an amount not to exceed $100,000,000 in the aggregate (for all such requests) and (y) increase the L/C Fronting Sublimit of each L/C Issuer as may be agreed between such L/C Issuer and the Borrower; provided that (i) such requested increase in the amount of the Letter of Credit Sublimit shall be at least $5,000,000 and (ii) no more than three such requests may be made during the term of this Agreement.

(ii) At the time of sending such notice, the Borrower (in consultation with the Administrative Agent) shall specify the time period within which each L/C Issuer is requested to respond (which shall in no event be less than ten Business Days from the date of delivery of such notice to the L/C Issuers). Each L/C Issuer shall notify the Administrative Agent within such time period whether or not it agrees to increase the Letter of Credit Sublimit and its L/C Fronting

Sublimit. Any L/C Issuer not responding within such time period shall be deemed to have declined to increase the Letter of Credit Sublimit and its L/C Fronting Sublimit.

(iii) The Administrative Agent shall notify the Borrower, each L/C Issuer and each other Lender of the responses received to a request hereunder. If any L/C Issuer agrees to increase the Letter of Credit Sublimit, then (x) each such agreeing L/C Issuer and the Borrower shall determine any increase of such L/C Issuer's L/C Fronting Sublimit and notify the Administrative Agent thereof and (y) the Borrower, the Administrative Agent and each such agreeing L/C Issuer shall determine the effective date of any increase of the Letter of Credit Sublimit or such L/C Issuer's L/C Fronting Sublimit (the "Increase Effective Date"). The Administrative Agent shall promptly notify the Borrower, the L/C Issuers and the other Lenders of such increases and of the Increase Effective Date.

(iv) As a condition precedent to any Letter of Credit Sublimit increase and L/C Fronting Sublimit increase hereunder, (I) the Borrower shall deliver to the Administrative Agent a certificate dated as of the Increase Effective Date signed by a Responsible Officer certifying that, before and after giving effect to such increase, (A) the representations and warranties herein and in the other Loan Documents are true and correct in all material respects as of the Increase Effective Date, except that (i) any such representation and warranty that is qualified by materiality or a reference to Material Adverse Effect is true and correct in all respects on and as of the date of such increase and (ii) to the extent that any such representation and warranty specifically refers to an earlier date, each such representation and warranty is true and correct in all material respects as of such earlier date (except that any such representation and warranty that is qualified by materiality or reference to Material Adverse Effect is true and correct in all respects as of such earlier date), and except that for purposes of this Section 2.03(l), the representations and warranties contained in Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.04 and (B) no Default exists and (II) the Guarantors, if any, shall deliver to the Administrative Agent a certificate reaffirming their obligations under this Agreement.

(m) L/C Issuer Reports to the Administrative Agent. Unless otherwise agreed by the Administrative Agent, each L/C Issuer shall, in addition to its notification obligations set forth elsewhere in this Section, provide the Administrative Agent a Letter of Credit Report, as set forth below:

(i) reasonably prior to the time that such L/C Issuer issues, amends, renews, increases or extends a Letter of Credit, the date of such issuance, amendment, renewal, increase or extension and the stated amount of the applicable Letters of Credit after giving effect to such issuance, amendment, renewal or extension (and whether the amounts thereof shall have changed);

(ii) on each Business Day on which such L/C Issuer makes a payment pursuant to a Letter of Credit, the date and amount of such payment;

(iii) on any Business Day on which the Borrower fails to reimburse a payment made pursuant to a Letter of Credit required to be reimbursed to such L/C Issuer on such day, the date of such failure and the amount of such payment;

(iv) on any other Business Day, such other information as the Administrative Agent shall reasonably request as to the Letters of Credit issued by such L/C Issuer; and

(v) for so long as any Letter of Credit issued by an L/C Issuer is outstanding, such L/C Issuer shall deliver to the Administrative Agent (A) on the last Business Day of each calendar month, (B) at all other times a Letter of Credit Report is required to be delivered pursuant to this Agreement, and (C) on each date that (1) an L/C Credit Extension occurs or (2) there is any expiration, cancellation and/or disbursement, in each case, with respect to any such Letter of Credit, a Letter of Credit Report appropriately completed with the information for every outstanding Letter of Credit issued by such L/C Issuer.

2.04 Swing Line Loans.

(a) Swing Line Facility. Subject to the terms and conditions set forth herein, the Swing Line Lender, in reliance upon the agreements of the other Lenders set forth in this Section 2.04, agrees to make loans (each such loan, a "Swing Line Loan") to the Borrower in Dollars from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit; provided, however, that after giving effect to any Swing Line Loan, (i) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments, and (ii) the aggregate Outstanding Amount of the Revolving Loans of any Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations, plus such Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender's Revolving Commitment, and provided, further, that the Borrower 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 other terms and conditions hereof, the Borrower may borrow under this Section 2.04, prepay under Section 2.05, and reborrow under this Section 2.04. Each Swing Line Loan shall be a Base Rate Loan or a Daily ~~Floating LIBOR Rate~~Simple SOFR Loan. Immediately upon the making of a Swing Line Loan, each 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 Lender's Applicable Percentage times the amount of such Swing Line Loan.

(b) Borrowing Procedures. Each Borrowing of Swing Line Loans shall be made upon the Borrower's irrevocable notice to the Swing Line Lender and the Administrative Agent, which may be given by (A) telephone or (B) a Swing Line Loan Notice; provided that any telephonic notice must be confirmed promptly by delivery to the Swing Line Lender and the Administrative Agent of a Swing Line Loan Notice. Each such Swing Line Loan Notice must be received by the Swing Line Lender and the Administrative Agent not later than ~~(i) for Base Rate Loans,~~ 2:00 p.m. on the ~~requested borrowing date, or (ii) for Daily Floating LIBOR Rate Loans, 12:00 noon one Business Day prior to the~~ requested borrowing date, and shall specify (x) the amount to be borrowed, which shall be a minimum principal amount of $500,000 and integral multiples of $100,000 in excess thereof, (y) the requested borrowing date, which shall be a Business Day and (z) the Type of such Swing Line Loan. Promptly after receipt by the Swing Line Lender of any Swing Line Loan Notice, the Swing Line Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swing Line Loan Notice and, if not, the Swing Line Lender will notify the 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 the Administrative Agent (including at the request of any Lender) prior to 3:00 p.m. on the date of the proposed Borrowing of Swing Line Loans (A) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the first 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 will, not later than 4:00 p.m. on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the Borrower either by (i) crediting the account of the Borrower on the books of Bank of America with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Swing Line Lender by the Borrower.

(c) Refinancing of Swing Line Loans.

(i) The Swing Line Lender at any time in its sole discretion may request, on behalf of the Borrower (which hereby irrevocably requests and authorizes the Swing Line Lender to so request on its behalf), that each Lender make a Base Rate Loan or a Daily ~~Floating LIBOR Rate~~Simple SOFR Loan, as applicable, in an amount equal to such 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 Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02, without regard to the minimum and multiples specified therein for the principal amount of any Loans, but subject to the conditions set forth in Section 4.02 (other than the delivery of a Loan Notice) and provided that, after giving effect to such Borrowing, the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments. The Swing Line Lender shall furnish the Borrower with a copy of the applicable Loan Notice promptly after delivering such notice to the Administrative Agent. Each Lender

shall make an amount equal to its Applicable Percentage of the amount specified in such Loan Notice available to the Administrative Agent in immediately available funds (and the Administrative Agent may apply Cash Collateral available with respect to the applicable Swing Line Loan) for the account of the Swing Line Lender at the Administrative Agent's Office not later than 1:00 p.m. on the day specified in such Loan Notice, whereupon, subject to Section 2.04(c)(ii), each Lender that so makes funds available shall be deemed to have made a Base Rate Loan or a Daily ~~Floating LIBOR Rate~~Simple SOFR Loan, as applicable, to the Borrower in such amount. The 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 Borrowing of Base Rate Loans or Daily ~~Floating LIBOR Rate~~Simple SOFR Loans, as applicable, in accordance with Section 2.04(c)(i), the request for Base Rate Loans or Daily ~~Floating LIBOR Rate~~Simple SOFR Loans, as applicable, 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 Lenders fund its risk participation in the relevant Swing Line Loan and each Lender's payment to the 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 Lender fails to make available to the Administrative Agent for the account of the Swing Line Lender any amount required to be paid by such 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 Lender (acting through the 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 greater of the Federal Funds Rate and a rate determined by the Swing Line Lender in accordance with banking industry rules on interbank compensation. A certificate of the Swing Line Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each 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 setoff, counterclaim, recoupment, defense or other right that such Lender may have against the Swing Line Lender, the Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Revolving Loans pursuant to this Section 2.04(c) is subject to the conditions set forth in Section 4.02. No such purchase or funding of risk participations shall relieve or otherwise impair the obligation of the Borrower to repay Swing Line Loans, together with interest as provided herein.

(d) Repayment of Participations.

(i) At any time after any 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 Lender its Applicable Percentage of such payment (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's risk participation was funded) in the same funds as those received by the Swing Line Lender.

(ii) If any payment received by the Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender under any of the circumstances described in Section 11.05 (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Lender shall pay to the Swing Line Lender its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Administrative Agent will make such demand upon the request of the Swing Line Lender. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Interest for Account of Swing Line Lender. The Swing Line Lender shall be responsible for invoicing the Borrower for interest on the Swing Line Loans. Until each Lender funds its Base Rate Loans, Daily ~~Floating LIBOR Rate~~Simple SOFR Loans or risk participation pursuant to this Section 2.04 to refinance such 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. The Borrower shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

2.05 Prepayments.

(a) Voluntary Prepayments.

(i) Revolving Loans. The Borrower may, upon notice from the Borrower to the Administrative Agent, at any time or from time to time voluntarily prepay Revolving Loans, in whole or in part without premium or penalty; provided that (A) such notice must be in a form reasonably acceptable to the Administrative Agent and be received by the Administrative Agent not later than 11:00 a.m. (1) three Business Days prior to any date of prepayment of ~~Eurodollar Rate~~Term SOFR Loans and (2) on the date of prepayment of Base Rate Loans; (B) any such prepayment of ~~Eurodollar Rate~~Term SOFR Loans shall be in a principal amount of $2,000,000 or a whole multiple of $1,000,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding); and (C) any prepayment of Base Rate Loans shall be in a principal amount of $1,000,000 or a whole multiple of $500,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding). Each such notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid and, if Term SOFR Loans are to be prepaid, the Interest Period(s) of such Loans. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a ~~Eurodollar Rate~~Term SOFR Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Subject to Section 2.15, each such prepayment shall be applied to the Loans of the Lenders in accordance with their respective Applicable Percentages. Each notice delivered by the Borrower pursuant to this Section 2.05(a)(i) shall be irrevocable; *provided* that a notice of prepayment delivered by the Borrower may state that such notice is conditioned on the occurrence of a refinancing of all or any portion of the Loans or the occurrence of any other event which would have provided the cash proceeds for such prepayment, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified closing date of such refinancing or other such event) if such condition is not satisfied.

(ii) Swing Line Loans. The Borrower may, upon notice to the Swing Line Lender (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the date of the prepayment, and (ii) any such prepayment shall be in a minimum principal amount of $500,000 or a whole multiple of $100,000 in excess thereof (or, if less, the entire principal thereof then outstanding). Each such notice shall specify the date and amount of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(b) Mandatory Prepayments of Loans.

(i) Revolving Commitments. If for any reason the Total Revolving Outstandings at any time exceed the Aggregate Revolving Commitments then in effect, the Borrower shall promptly, and in any event within one (1) Business Day, prepay Revolving Loans and/or the Swing Line Loans and/or Cash Collateralize the L/C Obligations in an aggregate amount equal to such excess; provided, however, that the Borrower shall not be required to Cash Collateralize the

L/C Obligations pursuant to this Section 2.05(b)(i) unless after the prepayment in full of the Revolving Loans and the Swing Line Loans the Total Revolving Outstandings exceed the Aggregate Revolving Commitments then in effect.

(ii) Application of Mandatory Prepayments. All amounts required to be paid pursuant to this Section 2.05(b) shall be applied ratably to Revolving Loans and Swing Line Loans and (after all Revolving Loans and Swing Line Loans have been repaid) to Cash Collateralize L/C Obligations.

Within the parameters of the applications set forth above, prepayments shall be applied first to Base Rate Loans, then to Daily ~~Floating LIBOR Rate~~Simple SOFR Loans and then to ~~Eurodollar Rate~~Term SOFR Loans in direct order of Interest Period maturities. All prepayments under this Section 2.05(b) shall be subject to Section 3.05, but otherwise without premium or penalty, and shall be accompanied by interest on the principal amount prepaid through the date of prepayment.

2.06 Termination or Reduction of Aggregate Revolving Commitments.

(a) Optional Reductions. The Borrower may, upon notice to the Administrative Agent, terminate the Aggregate Revolving Commitments, or from time to time permanently reduce the Aggregate Revolving Commitments to an amount not less than the Outstanding Amount of Revolving Loans, Swing Line Loans and L/C Obligations; provided that (i) any such notice shall be received by the Administrative Agent not later than 12:00 noon three (3) Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of $2,000,000 or any whole multiple of $1,000,000 in excess thereof and (iii) the Borrower shall not terminate or reduce (A) the Aggregate Revolving Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Revolving Outstandings would exceed the Aggregate Revolving Commitments, (B) the Letter of Credit Sublimit if, after giving effect thereto, the Outstanding Amount of L/C Obligations not fully Cash Collateralized hereunder would exceed the Letter of Credit Sublimit, or (C) the Swing Line Sublimit if, after giving effect thereto and to any concurrent prepayments hereunder, the Outstanding Amount of Swing Line Loans would exceed the Swing Line Sublimit. Each notice delivered by the Borrower pursuant to this Section 2.06(a) shall be irrevocable; *provided* that a notice of termination of the Aggregate Revolving Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities (including, without limitation, credit facilities evidenced by a credit agreement or an indenture), in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Aggregate Revolving Commitments pursuant to this Section 2.06 shall be permanent. Each reduction of the Aggregate Revolving Commitments pursuant to this Section 2.06 shall be made to the Revolving Commitments of the Lenders in accordance with their Applicable Percentage.

(b) Mandatory Reductions. If after giving effect to any reduction or termination of Revolving Commitments under this Section 2.06, the Letter of Credit Sublimit or the Swing Line Sublimit exceed the Aggregate Revolving Commitments at such time, the Letter of Credit Sublimit or the Swing Line Sublimit, as the case may be, shall be automatically reduced by the amount of such excess.

(c) Notice. The Administrative Agent will promptly notify the Lenders of any termination or reduction of the Letter of Credit Sublimit, Swing Line Sublimit or the Aggregate Revolving Commitments under this Section 2.06. Upon any reduction of the Aggregate Revolving Commitments, the Revolving Commitment of each Lender shall be reduced by such Lender's Applicable Percentage of such reduction amount. All fees in respect of the Aggregate Revolving Commitments accrued until the effective date of any termination of the Aggregate Revolving Commitments shall be paid on the effective date of such termination.

2.07 Repayment of Loans.

(a) Revolving Loans. The Borrower shall repay to the Lenders on the Maturity Date the aggregate principal amount of all Revolving Loans outstanding on such date.

(b) Swing Line Loans. The Borrower shall repay each Swing Line Loan on the earliest to occur of (i) the date within one (1) Business Day of demand therefor by the Swing Line Lender, (ii) the date that is ten (10) Business Days after the date such Swing Line Loan is made and (iii) the Maturity Date.

2.08 Interest.

(a) Subject to the provisions of subsection (b) below, (i) each ~~Eurodollar Rate~~Term SOFR Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the sum of ~~the Eurodollar Rate~~Term SOFR for such Interest Period plus the Applicable Rate, (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 Rate ~~and~~, (iii) each Daily Simple SOFR Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to Daily Simple SOFR plus the Applicable Rate and (iv) 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 or Daily ~~Floating LIBOR Rate~~Simple SOFR, as applicable, plus the Applicable Rate.

(b) (i) If any amount hereunder is not paid when due (after giving effect 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.

(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.

2.09 Fees.

In addition to certain fees described in subsections (h) and (i) of Section 2.03:

(a) Facility Fee. The Borrower shall pay to the Administrative Agent, for the account of each Lender in accordance with its Applicable Percentage, a facility fee (the "Facility Fee") at a rate per annum equal to the product of (i) the Applicable Rate times (ii) the actual daily amount of the Aggregate Revolving Commitments (or, if the Aggregate Revolving Commitments have terminated, on the Outstanding Amount of all Loans and L/C Obligations), regardless of usage, subject to adjustment as provided in Section 2.15. The Facility Fee shall accrue at all times during the Availability Period, 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 March, June, September and December, commencing with the first such date to occur after the Third Amendment and Restatement Effective Date, and on the Maturity Date; provided, that (A) no Facility Fee shall accrue on the Revolving Commitment of a Defaulting Lender so long as such Lender shall be a Defaulting Lender and (B) any Facility Fee accrued with respect to the Revolving Commitment of a Defaulting Lender during the period prior to the time such Lender became a Defaulting Lender and unpaid at such time shall not be payable by the Borrower so long as such Lender shall be a Defaulting Lender. The Facility Fee shall be calculated quarterly in arrears, and if there is any change in the Applicable Rate during any quarter, the actual daily amount shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect.

(b) Fee Letter. The Borrower shall pay to the Joint Lead Arrangers and the Administrative Agent for their own respective accounts fees in the amounts and at the times specified in the Facilities Fee Letter. Such fees shall be fully earned when paid and shall be non-refundable for any reason whatsoever.

2.10 Computation of Interest and Fees.

All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to ~~the Eurodollar Rate~~Term SOFR) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (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 the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

2.11 Evidence of Debt.

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a promissory note, which shall evidence such Lender's Loans in addition to such accounts or records. Each such promissory note shall (i) in the case of Revolving Loans, be in the form of Exhibit C (a "Revolving Note") and (ii) in the case of Swing Line Loans, be in the form of Exhibit D (a "Swing Line Note"). Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto. Promptly following the written request to a Lender by the Borrower upon the termination of this Agreement, such Lender shall use commercially reasonable efforts to (i) return to the Borrower each Note issued to it, or (ii) in the case of any loss, theft or destruction of any such Note, a customary lost note affidavit in form and substance reasonably satisfactory to the Borrower.

(b) In addition to the accounts and records referred to in subsection (a), each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the obligations of such Lender in respect of participations in Letters of Credit and Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

2.12 Payments Generally; Administrative Agent's Clawback.

(a) General. All payments to be made by a Loan Party shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by a Loan Party hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage (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 the 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. Subject to the definition of "Interest Period", if any payment to be made by a Loan Party 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 in computing interest or fees, as the case may be.

(b) (i) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any

Borrowing of ~~Eurodollar Rate~~Term 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 the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of any Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the 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 the Borrower to but excluding the date of payment to the 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 the Administrative Agent in accordance with banking industry rules on interbank compensation and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the L/C Issuers hereunder that the applicable Loan Party will not make such payment, the Administrative Agent may assume that such Loan Party has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the L/C Issuers, as the case may be, the amount due. With respect to any payment that the Administrative Agent makes for the account of the Lenders or the L/C Issuers hereunder as to which the Administrative Agent determines (which determination shall be conclusive absent manifest error) that any of the following applies (such payment referred to as the "Rescindable Amount"): (1) a Loan Party has not in fact made such payment; (2) the Administrative Agent has made a payment in excess of the amount so paid by such Loan Party (whether or not then owed); or (3) the Administrative Agent has for any reason otherwise erroneously made such payment; then each of the Lenders or the L/C Issuers, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount so distributed to such Lender or the L/C Issuers, 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 the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

A notice of the Administrative Agent to any Lender or the 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 the 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 the Borrower by the 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, the 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 11.04(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 11.04(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 11.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

2.13 Sharing of Payments by Lenders.

If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Loans made by it, or the participations in L/C Obligations or in Swing Line Loans held by it (excluding any amounts applied by the Swing Line Lender to outstanding Swing Line Loans) resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Loans or participations and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the 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 principal of and accrued interest on their respective Loans and other amounts owing them, 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 (x) any payment made by or on behalf of a 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), (y) the application of Cash Collateral provided for in Section 2.14 or (z) 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, other than an assignment to the Company or any Subsidiary thereof (as to which the provisions of this Section shall apply).

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

2.14 Cash Collateral.

(a) Certain Credit Support Events. Upon the request of the Administrative Agent or the relevant L/C Issuer (i) if such L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing or (ii) if, as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, the Borrower shall, in each case, promptly Cash Collateralize the then Outstanding Amount of all L/C Obligations. At any time that there shall exist a Defaulting Lender, promptly upon the request of the Administrative Agent, the L/C Issuers or the Swing Line Lender, the Borrower shall deliver to the Administrative Agent Cash Collateral in an amount sufficient to cover all Fronting Exposure (after giving effect to Section 2.15(a)(iv) and any Cash Collateral provided by the Defaulting Lender).

(b) Grant of Security Interest. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, non-interest bearing deposit accounts at the Administrative Agent. The Borrower, and to the extent provided by any Lender, such Lender, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the L/C Issuers and the Lenders (including the Swing Line Lender) 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 2.14(c). If at any time the

Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent as herein provided, or that the total amount of such Cash Collateral is less than the applicable Fronting Exposure and other obligations secured thereby, the Borrower will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 2.14 or Sections 2.03, 2.04, 2.05, 2.15 or 8.02 in respect of Letters of Credit or Swing Line Loans shall be held and applied in satisfaction of the specific L/C Obligations, Swing Line Loans, obligations to fund participations therein (including, as to Cash Collateral provided by 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 herein.

(d) Release. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or 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 Lender) or (ii) the good faith determination of the Administrative Agent and the L/C Issuers (which determination shall not be unreasonably withheld or delayed) that there exists excess Cash Collateral (including following the Borrower's request); provided, however, (x) that Cash Collateral furnished by or on behalf of the Borrower shall not be released during the continuance of a Default or Event of Default (and following application as provided in this Section 2.14 may be otherwise applied in accordance with Section 8.03) and (y) the Person providing Cash Collateral and the L/C Issuers or Swing Line Lender, as applicable, may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

2.15 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 Amendment. The 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 Section 11.01.

(ii) Reallocation of Payments. Any payment of principal, interest, fees or other amount received by the Administrative Agent for the account of that Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise, and including any amounts made available to the Administrative Agent by that Defaulting Lender pursuant to Section 11.08), shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by that Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by that Defaulting Lender to any L/C Issuer or Swing Line Lender hereunder; third, if so determined by the Administrative Agent or requested by any L/C Issuer or Swing Line Lender, to be held as Cash Collateral for future funding obligations of that Defaulting Lender of any participation in any Swing Line Loan or Letter of Credit; fourth, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which that Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, if so determined by the Administrative Agent and the Borrower, to be held in a non-interest bearing deposit account and released in order to satisfy obligations of that Defaulting Lender to fund Loans under this Agreement; sixth, to the payment of any amounts owing to the Lenders, the L/C Issuers or Swing Line Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, L/C Issuer or Swing Line Lender against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; and eighth, to that Defaulting

Lender or as otherwise directed by a court of competent jurisdiction; provided, that, if (x) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which that Defaulting Lender has not fully funded its appropriate share and (y) such Loans or L/C Borrowings were made at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to the pay the Loans of, and L/C Borrowings owed to, all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Borrowings owed to, that Defaulting Lender. 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 2.15(a)(ii) shall be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

(A) Each Defaulting Lender shall be entitled to receive Facility Fees for any period during which such Lender is a Defaulting Lender only to the extent allocable to the sum of (1) the outstanding principal amount of the Loans funded by it and (2) its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.14.

(B) Each Defaulting 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 2.14.

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

(iv) Reallocation of Applicable Percentages to Reduce Fronting Exposure. During any period in which there is a Defaulting Lender, for purposes of computing the amount of the obligation of each non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit or Swing Line Loans pursuant to Sections 2.03 and 2.04, the "Applicable Percentage" of each non-Defaulting Lender shall be computed without giving effect to the Commitment of that Defaulting Lender; provided, that, (x) each such reallocation shall be given effect only if, at the date the applicable Lender becomes a Defaulting Lender, (I) no Default or Event of Default exists and (II) the condition set forth in Section 4.02(a) is satisfied at such time (and, unless the Borrower shall have otherwise notified the Administrative Agent at such time, the Borrower shall be deemed to have represented and warranted that such condition is satisfied at such time); and (y) the aggregate obligation of each non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit and Swing Line Loans shall not exceed the positive difference, if any, of (1) the Commitment of that non-Defaulting Lender minus (2) the aggregate Outstanding Amount of the Revolving Loans of that Lender.

(b) Defaulting Lender Cure. If the Borrower, the Administrative Agent, Swing Line Lender and the L/C Issuers agree in writing in their sole discretion that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the 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 Loans of the other Lenders or take such other actions as the 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 2.15(a)(iv)), whereupon that Lender will cease to be a Defaulting Lender; provided, that, no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; 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 having been a Defaulting Lender.

2.16 Certain Permitted Amendments.

(a) The Borrower may, by written notice to the Administrative Agent from time to time beginning on the date that is 18 months after the Third Amendment and Restatement Effective Date, but not more than three times during the term of this Agreement (and with no more than one such offer outstanding at any one time), make one or more offers (each, a "Loan Modification Offer") to all the Lenders to make one or more Permitted Amendments pursuant to procedures reasonably specified by the Administrative Agent and reasonably acceptable to the Borrower. Such notice shall set forth (i) the terms and conditions of the requested Permitted Amendment and (ii) the date on which such Permitted Amendment is requested to become effective. Notwithstanding anything to the contrary in Section 11.01, each Permitted Amendment shall only require the consent of the Loan Parties, the Administrative Agent and those Lenders that accept the applicable Loan Modification Offer (such Lenders, the "Accepting Lenders"), and each Permitted Amendment shall become effective only with respect to the Loans and Commitments of the Accepting Lenders. In connection with any Loan Modification Offer, the Borrower may, at its sole option, with respect to one or more of the Lenders that are not Accepting Lenders (each, a "Non-Accepting Lender") replace such Non-Accepting Lender pursuant to Section 11.13. Upon the effectiveness of any Permitted Amendment and any assignment of any Non-Accepting Lender's Commitments pursuant to Section 11.13, subject to the payment of applicable amounts pursuant to Section 3.05 in connection therewith, the Borrower shall be deemed to have made such borrowings and repayments of the Loans, and the Lenders shall make such adjustments of outstanding Loans between and among them, as shall be necessary to effect the reallocation of the Commitments such that, after giving effect thereto, the Loans shall be held by the Lenders (including the Eligible Assignees as the new Lenders) ratably in accordance with their Commitments.

(b) The Loan Parties and each Accepting Lender shall execute and deliver to the Administrative Agent a Loan Modification Agreement and such other documentation as the Administrative Agent shall reasonably specify to evidence the acceptance of the Permitted Amendments and the terms and conditions thereof. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Loan Modification Agreement. Each of the parties hereto hereby agrees that, upon the effectiveness of any Loan Modification Agreement, this Agreement shall be deemed amended to the extent (but only to the extent) necessary to reflect the existence and terms of the Permitted Amendment evidenced thereby and only with respect to the Loans and Commitments of the Accepting Lenders, including any amendments necessary to treat the applicable Loans and/or Commitments of the Accepting Lenders as a new "Class" or "Tranche" of loans and/or commitments hereunder. Notwithstanding the foregoing, no Permitted Amendment shall become effective unless the Administrative Agent, to the extent reasonably requested by the Administrative Agent, shall have received legal opinions, board resolutions, officer's and secretary's certificates and other documentation consistent with those delivered on the Third Amendment and Restatement Effective Date under this Agreement.

(c) "Permitted Amendments" means any or all of the following: (i) an extension of the Maturity Date applicable solely to the Loans and/or Commitments of the Accepting Lenders, (ii) an increase in the interest rate with respect to the Loans and/or Commitments of the Accepting Lenders, (iii) the inclusion of additional fees to be payable to the Accepting Lenders in connection with the Permitted Amendment (including any commitment fees and upfront fees), (iv) such amendments to this Agreement and the other Loan Documents as shall be appropriate, in the reasonable judgment of the Administrative Agent, to provide the rights and benefits of this Agreement and other Loan Documents to each new "Class" or "Tranche" of loans and/or commitments resulting therefrom, provided that payments of principal and interest on Loans (including Loans of Accepting Lenders) shall continue to be shared pro rata in accordance with Section 2.13, except that notwithstanding Section 2.13 the Loans and Commitments of the Non-Accepting Lenders may be repaid and terminated on their applicable Maturity Date, without any pro rata reduction of the commitments and repayment of Loans of Accepting Lenders

with a different Maturity Date and (v) such other amendments to this Agreement and the other Loan Documents as shall be appropriate, in the reasonable judgment of the Administrative Agent, to give effect to the foregoing Permitted Amendments.

(d) This Section 2.16 shall supersede any provision in Section 11.01 to the contrary. Notwithstanding any reallocation into extending and non-extending "Classes" or "Tranches" in connection with a Permitted Amendment, all Loans to the Borrower under this Agreement shall rank pari-passu in right of payment.

ARTICLE III

TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 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 Laws require a Loan Party or the Administrative Agent to withhold or deduct any Tax, such Tax shall be withheld or deducted in accordance with such Laws as determined by the Borrower or the Administrative Agent, as the case may be, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(ii) If a Loan Party or the Administrative Agent shall be required to withhold or deduct any Taxes, including both United States Federal backup withholding and withholding Taxes, from any payment, then (A) the Administrative Agent shall withhold or make such deductions as are determined by the Administrative Agent to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) the Administrative Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes or Other Taxes, the sum payable by a Loan Party 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 Administrative Agent, Lender or L/C Issuer, as the case may be, 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 the Borrower. Without limiting the provisions of subsection (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Law.

(c) Tax Indemnifications. (i) Without limiting the provisions of subsection (a) or (b) above, the Loan Parties shall, and do hereby, indemnify the Administrative Agent, each Lender and each L/C Issuer, and shall make payment in respect thereof within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) withheld or deducted by a Loan Party or the Administrative Agent paid by the Administrative Agent, such Lender or such L/C Issuer, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided, however, that such indemnity shall not, as to any indemnitee, be available to the extent that the imposition of such Taxes is 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 indemnitee. The Loan Parties shall also, and do hereby, indemnify the Administrative Agent, and shall make payment in respect thereof within 10 days after demand therefor, for any amount which a Lender or L/C Issuer for any reason fails to pay indefeasibly to the Administrative Agent as required by clause (ii) of this subsection. A certificate as to the amount of any such payment or liability delivered to a Loan Party by a Lender or L/C Issuer (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or L/C Issuer, shall be conclusive absent manifest error.

(ii) Without limiting the provisions of subsection (a) or (b) above, each Lender and L/C Issuer shall, and does hereby, indemnify the Loan Parties and the Administrative Agent, and shall make payment in respect thereof within 10 days after demand therefor, against any and all Taxes and any and all related losses, claims, liabilities, penalties, interest and expenses (including the fees, charges and disbursements of any counsel for the Borrower or the Administrative Agent) incurred by or asserted against the Loan Parties or the Administrative Agent by any Governmental Authority as a result of the failure by such Lender or L/C Issuer, as the case may be, to deliver, or as a result of the inaccuracy, inadequacy or deficiency of, any documentation required to be delivered by such Lender or L/C Issuer, as the case may be, to the Loan Parties or the Administrative Agent pursuant to subsection (e). Each Lender and L/C Issuer hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender or L/C Issuer, as the case may be, under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this clause (ii). The agreements in this clause (ii) shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender or L/C Issuer, the termination of the Aggregate Revolving Commitments and the repayment, satisfaction or discharge of all other Obligations.

(d) Evidence of Payments. Upon request by the Borrower or the Administrative Agent, as the case may be, after any payment of Taxes by the Borrower or by the Administrative Agent to a Governmental Authority as provided in this Section 3.01, the Borrower shall deliver to the Administrative Agent or the Administrative Agent shall deliver to the Borrower, as the case may be, the original or a certified 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 the Borrower or the Administrative Agent, as the case may be.

(e) Status of Lenders; Tax Documentation. (i) Each Lender shall deliver to the Borrower and to the Administrative Agent, at the time or times prescribed by applicable Laws or when reasonably requested by the Borrower or the 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 the Borrower or the Administrative Agent, as the case may be, to determine (A) whether or not payments made hereunder or under any other Loan Documents are subject to Taxes, (B) if applicable, the required rate of withholding or deduction, and (C) such Lender's entitlement to any available exemption from, or reduction of, applicable Taxes in respect of all payments to be made to such Lender by the Borrower pursuant to this Agreement or otherwise to establish such Lender's status for withholding tax purposes in the applicable jurisdiction. Notwithstanding anything to the contrary in the previous sentence, the completion, execution and submission of such documentation (other than such documentation set forth in paragraphs (e)(ii)(A), (ii)(B)(I) through (ii)(B)(IV) and (ii)(C) of this Section) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, if the Borrower is resident for tax purposes in the United States,

(A) any Lender that is a "United States person" within the meaning of Section 7701(a)(30) of the Internal Revenue Code shall deliver to the Borrower and the Administrative Agent executed copies of Internal Revenue Service Form W-9 or such other documentation or information prescribed by applicable Laws or reasonably requested by the Borrower or the Administrative Agent certifying that such Lender is exempt from U.S. federal backup withholding;

(B) each Foreign Lender that is entitled under the Internal Revenue Code or any applicable treaty to an exemption from or reduction of withholding Tax with respect to payments hereunder or under any other Loan Document shall deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Borrower or the Administrative Agent, but only if such Foreign Lender is legally entitled to do so), whichever of the following is applicable:

(I) executed copies of Internal Revenue Service Form W-8BEN or Form W-8BEN-E, as applicable, claiming eligibility for benefits of an income tax treaty to which the United States is a party,

(II) executed copies of Internal Revenue Service Form W-8ECI,

(III) executed copies of Internal Revenue Service Form W-8IMY and all required supporting documentation,

(IV) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the Internal Revenue 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 Internal Revenue Code, (B) a "10 percent shareholder" of the Borrower within the meaning of section 881(c)(3)(B) of the Internal Revenue Code, or (C) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Internal Revenue Code and (y) executed copies of Internal Revenue Service Form W-8BEN or Form W-8BEN-E, as applicable, or

(V) executed copies of any other form prescribed by applicable Laws as a basis for claiming exemption from or a reduction in United States Federal withholding Tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(C) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 3.01(e)(ii)(C), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iii) Each Lender shall promptly (A) notify the Borrower and the Administrative Agent of any change in circumstances which would modify or render invalid any claimed Tax exemption or Tax reduction, and (B) take such steps as shall not be materially disadvantageous to it, in the reasonable judgment of such Lender, and as may be reasonably necessary (including the re-designation of its Lending Office) to avoid any requirement of applicable Laws of any jurisdiction that the Borrower or the Administrative Agent make any withholding or deduction for Taxes from amounts payable to such Lender.

(iv) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.01 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(f) Treatment of Certain Refunds. Unless required by applicable Laws, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender or L/C Issuer, or have any obligation to pay to any Lender or L/C Issuer, any refund of Taxes withheld or deducted from funds paid for the account of such Lender or L/C Issuer, as the case may be. If the Administrative Agent, any Lender or L/C Issuer determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Loan Parties or with respect to which a 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 such Loan Party under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses incurred by the Administrative Agent, such Lender or 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 the Administrative Agent, such Lender or L/C Issuer, agrees to repay the amount paid over to such Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent, such Lender or L/C Issuer in the event the Administrative Agent, such Lender or L/C Issuer is required to repay such refund to such Governmental Authority. This subsection shall not be construed to require the Administrative Agent, any Lender or L/C Issuer to make available its Tax returns (or any other information relating to its taxes that it deems confidential) to the Loan Parties or any other Person.

(g) FATCA. For purposes of determining withholding taxes imposed under FATCA, from and after the Third Amendment and Restatement Effective Date, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the Agreement as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

3.02 Illegality.

If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to ~~the Eurodollar Rate or the Daily Floating LIBOR Rate~~SOFR, Term SOFR or Daily Simple SOFR, or to determine or charge interest rates based upon ~~the Eurodollar Rate or the Daily Floating LIBOR Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market~~SOFR, Term SOFR or Daily Simple SOFR, then, ~~on~~upon notice thereof by such Lender to the Borrower (through the Administrative Agent), (i) any obligation of such Lender to make or continue ~~Eurodollar Rate~~Term SOFR Loans or Daily ~~Floating LIBOR Rate~~Simple SOFR Loans or to convert Base Rate Loans to ~~Eurodollar Rate~~Term SOFR Loans shall be suspended, and (ii) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the ~~Eurodollar Rate~~Term SOFR component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the ~~Eurodollar Rate~~Term SOFR component of the Base Rate, in each case until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), (1) promptly prepay or, if applicable, convert all Daily ~~Floating LIBOR Rate~~Simple SOFR Loans to Base Rate Loans (the interest rate on which Base Rate Loans shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the ~~Eurodollar Rate~~Term SOFR component of the Base Rate) and (2) prepay or, if applicable, convert all ~~Eurodollar Rate~~Term SOFR Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the ~~Eurodollar Rate~~Term SOFR component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such ~~Eurodollar Rate Loans~~Term SOFR Loan to such day, or immediately, if such Lender may not lawfully continue to maintain such ~~Eurodollar Rate Loans~~Term SOFR Loan and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon ~~the Eurodollar Rate~~SOFR, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the ~~Eurodollar Rate~~Term SOFR component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon ~~the Eurodollar Rate~~SOFR. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 3.05.

3.03 Inability to Determine Rates.

(a) If in connection with any request for a Daily ~~Floating LIBOR Rate~~Simple SOFR Loan or ~~Eurodollar Rate~~a Term SOFR Loan or a conversion to or a continuation thereof, (i) the Administrative Agent determines ~~that (A) Dollar deposits are not being offered to banks in the London interbank~~

~~eurodollar market for the applicable amount and Interest Period (in the case of a Eurodollar Rate Loan)~~(which determination shall be conclusive absent manifest error) that (A) no Successor Rate has been determined in accordance with Section 3.03(b), and the circumstances under clause (i) of Section 3.03(b) or the Scheduled Unavailability Date has occurred, or (B) ~~(x)~~ adequate and reasonable means do not otherwise exist for determining ~~the Eurodollar Base Rate~~Daily Simple SOFR for any determination date or Term SOFR for any requested Interest Period with respect to a proposed ~~Eurodollar Rate~~Daily Simple SOFR Loan or Term SOFR Loan or in connection with an existing or proposed Base Rate Loan ~~and (y) the circumstances described in Section 3.03(c)(i) do not apply (in each case with respect to this clause (i), "Impacted Loans")~~, or (ii) the Administrative Agent or the Required Lenders determine ~~that~~ for any reason ~~the~~that Daily ~~Floating LIBOR Rate~~Simple SOFR with respect to a proposed Daily ~~Floating LIBOR Rate Loan or the Eurodollar Base Rate~~Simple SOFR Loan or that Term SOFR for any requested Interest Period with respect to a proposed ~~Eurodollar Rate~~ Loan, as applicable, does not adequately and fairly reflect the cost to such Lenders of funding such ~~Daily Floating LIBOR Rate Loan or Eurodollar Rate~~ Loan, ~~as applicable,~~ the Administrative Agent will promptly so notify the Borrower and ~~all Lenders~~each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Daily ~~Floating LIBOR Rate~~Simple SOFR Loans or ~~Eurodollar Rate~~Term SOFR Loans, as applicable, or to convert Base Rate Loans to Daily Simple SOFR Loans or Term SOFR Loans, shall be suspended (to the extent of the affected ~~Eurodollar Rate~~Term SOFR Loans or Interest Periods), and (y) in the event of a determination described in the preceding sentence with respect to the ~~Eurodollar Rate~~Term SOFR component of the Base Rate, the utilization of the ~~Eurodollar Rate~~Term SOFR component in determining the Base Rate shall be suspended, in each case until the Administrative Agent (or, in the case of a determination by the Required Lenders described in clause (ii) of this Section 3.03(a), until the Administrative Agent upon instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, (i) the Borrower may revoke any pending request for a Borrowing of Daily ~~Floating LIBOR Rate~~Simple SOFR Loans and/or a Borrowing of, or conversion to, or continuation of ~~Eurodollar Rate~~Term SOFR Loans (to the extent of the affected ~~Eurodollar Rate~~Term SOFR Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Committed Borrowing of Base Rate Loans in the amount specified therein~~.~~ and (ii) any outstanding Daily Simple SOFR Loans shall be deemed to have been converted to Base Rate Loans immediately and any outstanding Term SOFR Loans shall be deemed to have been converted to Base Rate Loans immediately at the end of their respective applicable Interest Period.

~~(b) Notwithstanding the foregoing, if the Administrative Agent has made the determination described in clause (i) of Section 3.03(a), the Administrative Agent, in consultation with the Borrower and the Required Lenders, may establish an alternative interest rate for the Impacted Loans, in which case, such alternative rate of interest shall apply with respect to the Impacted Loans until (i) the Administrative Agent revokes the notice delivered with respect to the Impacted Loans under clause (i) of Section 3.03(a), (ii) the Administrative Agent or the Required Lenders notify the Administrative Agent and the Borrower that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans, or (iii) any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides the Administrative Agent and the Borrower written notice thereof.~~

(~~c~~b) Notwithstanding anything to the contrary in this Agreement or any other Loan ~~Document~~Documents, if the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Borrower or Required Lenders notify the Administrative Agent (with, in the case of the Required Lenders, a copy to the Borrower) that the Borrower or Required Lenders (as applicable) have determined, that:

(i) adequate and reasonable means do not exist for ascertaining ~~LIBOR for any Interest Period hereunder or any other tenors of LIBOR~~one month, three month and six month interest periods of Term SOFR, including, without limitation, because the ~~LIBOR~~Term SOFR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii) ~~the~~CME or any successor administrator of the ~~LIBOR~~Term SOFR Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent or such administrator with respect to its publication of Term SOFR, in each case acting in such capacity, has made a public statement ~~or publication of information stating that all tenors of LIBOR that are or may~~identifying a specific date

after which one month, three month and six month interest periods of Term SOFR or the Term SOFR Screen Rate shall or will no longer be made available, or permitted to be used for determining the ~~length of an Interest Period are or will no longer be representative, or made available, or used for determining the~~ interest rate of Dollar denominated syndicated loans, or shall or will otherwise cease, provided that, at the time of such statement ~~or publication~~, there is no successor administrator that is satisfactory to the Administrative Agent, that will continue to provide ~~any representative tenors of LIBOR~~such interest periods of Term SOFR after such specific date (~~such specific date~~the latest date on which one month, three month and six month interest periods of Term SOFR or the Term SOFR Screen Rate are no longer available permanently or indefinitely, the "Scheduled Unavailability Date");

~~(iii) the administrator of the LIBOR Screen Rate or a Governmental Authority having jurisdiction over such administrator has made a public statement announcing that all Interest Periods and other tenors of LIBOR are no longer representative; or~~

~~(iv) syndicated loans currently being executed, or that include language similar to that contained in this Section 3.03, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace LIBOR;~~

then, ~~in the case of clauses (i) through (iii) above,~~ on a date and time determined by the Administrative Agent (any such date, the "~~LIBOR~~Term SOFR Replacement Date"), which date shall be at the end of an Interest Period or on the relevant interest payment date, as applicable, for interest calculated and ~~shall occur within a reasonable period of time after the occurrence of any of the events or circumstances under clauses (i) through (iii) above and~~, solely with respect to clause (ii) above, no later than the Scheduled Unavailability Date, ~~LIBOR~~Term SOFR will be replaced hereunder and under ~~the other Loan Documents with, subject to the proviso below, the first available alternative set forth in the order below~~any Loan Document with Daily Simple SOFR for any payment period for interest calculated that can be determined by the Administrative Agent, in each case, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document ("~~LIBOR Successor Rate~~"; ~~and any such rate before giving effect to the Related Adjustment, "Pre-Adjustment~~ the "Successor Rate")~~:~~.

~~(x) Term SOFR plus the Related Adjustment; and~~

~~(y) SOFR plus the Related Adjustment;~~

~~and in the case of clause (iv) above, the Administrative Agent and the Borrower may amend this Agreement solely for the purpose of replacing LIBOR under this Agreement and the other Loan Documents in accordance with the definition of "LIBOR Successor Rate" and such amendment will become effective at 5:00 p.m. on the fifth Business Day after the Administrative Agent shall have notified the Lenders and the Borrower of the occurrence of the circumstances described in clause (iv) above unless, prior to such time, the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders object to the implementation of a LIBOR Successor Rate pursuant to such clause; provided, that if the Administrative Agent determines that Term SOFR has become available, is administratively feasible for the Administrative Agent and would have been identified as the Pre-Adjustment Successor Rate in accordance with the foregoing if it had been so available at the time that the LIBOR Successor Rate then in effect was so identified, and notifies the Borrower and the Lenders of such availability, then from and after the beginning of the Interest Period, relevant interest payment date or payment period for interest calculated, in each case, commencing no less than thirty (30) days after the date of such notice, the Pre-Adjustment Successor Rate shall be Term SOFR and the LIBOR Successor Rate shall be Term SOFR plus the relevant Related Adjustment.~~

~~The Administrative Agent will promptly (in one or more notices) notify the Borrower and the Lenders of (x) any occurrence of any of the events, periods or circumstances under clauses (i) through (iii) above, (y) a LIBOR Replacement Date, and (z) the LIBOR Successor Rate. Any LIBOR Successor Rate shall be applied in a manner consistent with market practice; provided, that to the extent such market practice is not administratively feasible for the Administrative Agent, such LIBOR Successor Rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent. Notwithstanding anything else herein, if at any time any LIBOR Successor Rate as so determined would otherwise be less than zero, the LIBOR Successor Rate will be deemed to be zero for the purposes of this Agreement and the other Loan Documents.~~

~~In connection with the implementation of a LIBOR Successor Rate, the Administrative Agent will have the right to make LIBOR Successor Rate Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such LIBOR Successor Rate Conforming Changes will become effective without any further action or consent of any other party to this Agreement; provided, that with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing such LIBOR Successor Rate Conforming Changes to the Borrower and the Lenders reasonably promptly after such amendment becomes effective.~~

~~If events or circumstances of the type described in clauses (i) through (iii) above have occurred with respect to the LIBOR Successor Rate then in effect, then the successor rate thereto shall be determined in accordance with the definition of "LIBOR Successor Rate."~~
If the Successor Rate is Daily Simple SOFR, all interest payments will be payable on a monthly basis.

~~(d)~~ Notwithstanding anything to the contrary herein, (~~a) after any such determination by the Administrative Agent or receipt by the Administrative Agent of any such notice described under Section 3.03(c)(i) through (iii), as applicable,~~i) if the Administrative Agent determines that ~~none of the LIBOR Successor Rates is~~Daily Simple SOFR is not available on or prior to the ~~LIBOR~~Term SOFR Replacement Date, or (ii) if ~~the events or circumstances described in Section 3.03(c)(iv) have occurred but none of the LIBOR Successor Rates are available, or (iii) if~~ the events or circumstances of the type described in Section 3.03(~~c~~b)(i) ~~through~~or (~~iii~~ii) have occurred with respect to the ~~LIBOR~~ Successor Rate then in effect ~~and the Administrative Agent determines that none of the LIBOR Successor Rates is available~~, then in each case, the Administrative Agent and the Borrower may amend this Agreement solely for the purpose of replacing ~~LIBOR~~Term SOFR or any then current ~~LIBOR~~ Successor Rate in accordance with this Section 3.03 at the end of any Interest Period, relevant interest payment date or payment period for interest calculated, as applicable, with ~~another alternate~~an alternative benchmark rate giving due consideration to any evolving or then existing convention for similar Dollar denominated ~~syndicated~~ credit facilities syndicated and agented in the United States for such alternative ~~benchmarks~~benchmark. and, in each case, including any ~~Related Adjustments and any other~~ mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar Dollar denominated ~~syndicated~~ credit facilities syndicated and agented in the United States for such ~~benchmarks~~benchmark, which adjustment or method for calculating such adjustment shall be published on an information service as selected by the Administrative Agent from time to time in its reasonable discretion and may be periodically updated. For the avoidance of doubt, any such proposed rate and adjustments, shall constitute a ~~LIBOR~~ "Successor Rate". Any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after the Administrative Agent shall have posted such proposed amendment to ~~the~~all Lenders and the Borrower unless, prior to such time, Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders object to such amendment.

~~(e) If, at the end of any Interest Period, relevant interest payment date or payment period for interest calculated, no LIBOR Successor Rate has been determined in accordance with Section 3.03(c) or (d) and the circumstances under Section 3.03(c)(i) or (iii) above exist or the Scheduled Unavailability Date has occurred (as applicable), the Administrative Agent will promptly so notify the Borrower and the Lenders. Thereafter, (a) the obligation of the Lenders to make or maintain Daily Floating LIBOR Rate Loans or Eurodollar Rate Loans shall be suspended (to the extent of the affected Eurodollar Rate Loans, Interest Periods, interest payment dates or payment periods), and (b) the LIBOR component shall no longer be utilized in determining the Base Rate, until the LIBOR Successor Rate has been determined in accordance with Section 3.03(c) or (d). Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of Daily Floating LIBOR Rate Loans and/or a Borrowing, conversion to or continuation of Eurodollar Rate Loans (to the extent of the affected Loans, Interest Periods, interest payment dates or payment periods) or, failing that, will be deemed to have converted such request into a request for Base Rate Loans (subject to the foregoing clause (b)) in the amount specified therein.~~
The Administrative Agent will promptly (in one or more notices) notify the Borrower and each Lender of the implementation of any Successor Rate.

Any Successor Rate shall be applied in a manner consistent with market practice; provided that to the extent such market practice is not administratively feasible for the Administrative Agent, such Successor Rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent.

Notwithstanding anything else herein, if at any time any Successor Rate as so determined would otherwise be less than zero, the Successor Rate will be deemed to be zero for the purposes of this Agreement and the other Loan Documents.

In connection with the implementation of a Successor Rate, 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; provided that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing such Conforming Changes to the Borrower and the Lenders reasonably promptly after such amendment becomes effective.

3.04 Increased Costs.

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

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender ~~(except any reserve requirement included in determining the Eurodollar Rate or the Daily Floating LIBOR Rate)~~ or L/C Issuer;

(ii) subject any Lender or L/C Issuer to any Tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any ~~Eurodollar Rate~~Term SOFR Loan or Daily ~~Floating LIBOR Rate~~Simple SOFR Loan made by it, or change the basis of taxation of payments to such Lender or L/C Issuer in respect thereof (except in each case for Indemnified Taxes or Other Taxes covered by Section 3.01 and the imposition of, or any change in the rate of, any Excluded Tax payable by such Lender or L/C Issuer); or

(iii) impose on any Lender or L/C Issuer or ~~the London~~any applicable interbank market any other condition, cost or expense affecting this Agreement or ~~Eurodollar Rate~~Term SOFR Loans or Daily ~~Floating LIBOR Rate~~Simple SOFR Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making converting to, continuing or maintaining any Loan ~~the interest on which is determined by reference to the Eurodollar Rate or the Daily Floating LIBOR Rate~~ (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or L/C Issuer hereunder (whether of principal, interest or any other amount) then, promptly after receipt of the certificate contemplated by Section 3.04(c) from such Lender or L/C Issuer, the Borrower will pay to such Lender or L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or 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's 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 held by, such Lender, or the Letters of Credit issued by an 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 and liquidity), then, promptly after receipt of the certificate contemplated by Section 3.04(c) from such Lender or L/C Issuer, the Borrower will pay to such Lender or 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 in reasonable detail 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 subsection (a) or (b) of this Section and delivered to the Borrower shall be conclusive absent manifest error; provided, however, that notwithstanding anything to the contrary contained in this Section 3.04, in the case of any Change in Law, it shall be a condition to a Lender's exercise of its rights, if any, under this Section 3.04 that such Lender shall generally be exercising similar rights with respect to borrowers under similar agreements where available. 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 15 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or L/C Issuer to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Lender's or L/C Issuer's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender or L/C Issuer pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than six months prior to the date that such Lender or L/C Issuer, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or 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 six-month period referred to above shall be extended to include the period of retroactive effect thereof).

3.05 Compensation for Losses.

Upon demand (which demand shall set forth the basis for compensation and a reasonable detailed calculation of such compensation) of any Lender (with a copy to the Administrative Agent) from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense 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, relevant interest payment date or payment period, as applicable, for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrower (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 the Borrower; or

(c) any assignment of a ~~Eurodollar Rate~~Term SOFR Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 11.13;

excluding any loss of anticipated profits, but 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. The Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

~~For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each Daily Floating LIBOR Rate Loan or Eurodollar Rate Loan, as applicable, made by it at the Daily Floating LIBOR Rate or the Eurodollar Base Rate used in determining the Eurodollar Rate for such Loan, respectively, by a matching deposit or other borrowing in the London interbank eurodollar market for a comparable amount and for a comparable period, whether or not such Daily Floating LIBOR Rate Loan or Eurodollar Rate Loan, as applicable, was in fact so funded.~~

3.06 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.04, or any Loan Party is required to pay any additional amount to any Lender, L/C Issuer or

Governmental Authority for the account of any Lender or L/C Issuer pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then such Lender or L/C Issuer shall, as applicable, 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 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 L/C Issuer, as the case may be, to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or L/C Issuer, as the case may be. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender or L/C Issuer in connection with any such designation or assignment.

(b) Replacement of Lenders. If (i) any Lender requests compensation under Section 3.04, (ii) any Loan Party is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01 or (iii) any Lender delivers a notice pursuant to Section 3.02, the Borrower may replace such Lender in accordance with Section 11.13.

3.07 Survival.

All of the Loan Parties' obligations under this Article III shall survive termination of the Aggregate Revolving Commitments, repayment of all other Obligations hereunder and resignation of the Administrative Agent.

ARTICLE IV

CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

4.01 Conditions to Effectiveness.

This third amendment and restatement to the Existing Credit Agreement shall become effective upon satisfaction of the following conditions precedent:

(a) Loan Documents. Receipt by the Administrative Agent of executed counterparts of this Agreement and the other Loan Documents, each properly executed by a Responsible Officer of the Borrower and, in the case of this Agreement, by each Lender.

(b) Opinions of Counsel. Receipt by the Administrative Agent of favorable opinions of legal counsel to the Borrower, addressed to the Administrative Agent and each Lender, dated as of the Third Amendment and Restatement Effective Date, and in form and substance reasonably satisfactory to the Administrative Agent.

(c) [Reserved].

(d) [Reserved].

(e) Organization Documents, Resolutions, Etc. Receipt by the Administrative Agent of the following, each of which shall be originals or facsimiles (followed promptly by originals), in form and substance satisfactory to the Administrative Agent and its legal counsel:

(i) copies of the Organization Documents of the Borrower certified to be true and complete as of a recent date by the appropriate Governmental Authority of the state or other jurisdiction of its incorporation or organization, where applicable, and certified by a secretary or assistant secretary of the Borrower to be true and correct as of the Third Amendment and Restatement Effective Date;

(ii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of the Borrower as the Administrative Agent may require evidencing the identity, authority and capacity of each Responsible

Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which the Borrower is a party; and

(iii) such documents and certifications as the Administrative Agent may require to evidence that the Borrower is duly organized or formed, and is validly existing, in good standing and qualified to engage in business in its state of organization or formation.

(f) Closing Certificate. Receipt by the Administrative Agent of a certificate signed by a Responsible Officer of the Borrower certifying (i)(A) that there has not occurred since December 31, 2020 any event or condition that has had or could reasonably be expected, either individually or in the aggregate, to cause a material adverse change in, or a material adverse effect on, the financial condition, results of operations or business of the Borrower and its Subsidiaries, taken as a whole, other than as disclosed in the Borrower's current reports on Form 8-K, as filed with the SEC prior to the Third Amendment and Restatement Effective Date and (B) there does not exist any action, suit, investigation or proceeding pending or to the Borrower's knowledge, threatened in any court or before an arbitrator or Governmental Authority that could reasonably be expected to have a Material Adverse Effect, (ii) that the conditions specified in Sections 4.02(a) and (b) (each as though a Credit Extension were being made on the Third Amendment and Restatement Effective Date) have been satisfied and (iii) the current Debt Ratings.

(g) [Reserved.]

(h) Fees. Receipt by the Administrative Agent, the Joint Lead Arrangers and the Lenders of any fees required to be paid on or before the Third Amendment and Restatement Effective Date, including all facility fees, letter of credit fees and fronting fees accrued under the Existing Credit Agreement prior to the Third Amendment and Restatement Effective Date.

(i) KYC Information. Receipt by the Administrative Agent and the Lenders of all documentation and other information requested by the Administrative Agent and the Lenders that is required to satisfy applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act and, to the extent applicable, the Beneficial Ownership Regulation.

(j) Attorney Costs. Unless waived by the Administrative Agent, the Borrower shall have paid all reasonable and documented out-of-pocket fees, charges and disbursements of counsel to the Administrative Agent to the extent invoiced at least three (3) days prior to the Third Amendment and Restatement Effective Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such 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 the Borrower and the Administrative Agent).

(k) Other. Receipt by the Administrative Agent and the Lenders of such other documents, instruments, agreements and information as reasonably requested by the Administrative Agent or any Lender, including, but not limited to, information regarding litigation, tax, accounting, labor, insurance, pension liabilities (actual or contingent), real estate leases, material contracts, debt agreements, property ownership, environmental matters, contingent liabilities and management of the Borrower and its Subsidiaries.

Without limiting the generality of the provisions of the last paragraph of Section 9.03, 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 the Administrative Agent shall have received notice from such Lender prior to the proposed Third Amendment and Restatement Effective Date specifying its objection thereto. The Administrative Agent shall notify the Borrower and the Lenders of the occurrence of the Third Amendment and Restatement Effective Date, and such notice shall be conclusive and binding.

4.02 Conditions to all Credit Extensions.

The obligation of each Lender to honor any Request for Credit Extension (but not any continuation or conversion of a Loan) 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, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects on and as of the date of such Credit Extension, except that (x) any such representation and warranty that is qualified by materiality or a reference to Material Adverse Effect shall be true and correct in all respects on and as of the date of such Credit Extension and (y) to the extent that any such representation and warranty specifically refers to an earlier date, each such representation and warranty shall be true and correct in all material respects as of such earlier date (except that any such representation and warranty that is qualified by materiality or reference to Material Adverse Effect shall be true and correct in all respects as of such earlier date), and except that for purposes of this Section 4.02, the representations and warranties contained in Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.04.

(b) No Default or Event of Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds thereof.

(c) The Administrative Agent and, if applicable, the L/C Issuers and/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 any continuation or conversion of a Loan) submitted by the Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 4.02(a) and (b) have been satisfied on and as of the date of the applicable Credit Extension.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

Each of the Loan Parties represents and warrants to the Administrative Agent, the L/C Issuers and each of the Lenders, on the Third Amendment and Restatement Effective Date and each other date required by Section 4.02(a), that:

5.01 Organization; Powers.

(a) Each of the Loan Parties (i) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (ii) has all requisite power and authority to (x) own its property and assets and to carry on its business as now conducted and (y) execute, deliver and perform its obligations under the Loan Documents to which it is a party and (iii) is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required, except, in the case of each of clause (i) (other than the Parent and the Borrower), clause (ii) (other than the Parent and the Borrower) and clause (iii), where the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

(b) Each of the Subsidiaries (other than each Loan Party) (i) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (ii) has all requisite power and authority to own its property and assets and to carry on its business as now conducted and (iii) is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required, except in the case of any of the foregoing clauses (i), (ii) and (iii) where the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

5.02 Authorization.

The execution, delivery and performance by the Loan Parties of this Agreement and the transactions contemplated hereby (including the Borrowings hereunder) (collectively, the "Transactions") (a) are within each such Person's corporate powers and have been duly authorized by all requisite corporate and, if required, stockholder action and (b) will not (i) violate (A) any provision of law, statute, rule or regulation, or of the Organization Documents of the Company or any Subsidiary, (B) any order of any Governmental Authority or (C) any provision of any indenture, agreement or other instrument to which the Company or any Subsidiary is a party or by which any of them or any of their property is or may be bound, the effect of which could reasonably be expected to result in a Material Adverse Effect, (ii) result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, or give rise to any right to accelerate or to require the prepayment, repurchase or redemption of any obligation under any such indenture, agreement or other instrument, the effect of which could reasonably be expected to result in a Material Adverse Effect, or (iii) result in the creation or imposition of any Lien (other than Liens permitted by Section 7.02) upon or with respect to any property or assets now owned or hereafter acquired by the Company or any Subsidiary.

5.03 Enforceability.

This Agreement and each other Loan Document has been duly executed and delivered by each Loan Party party thereto and constitutes a legal, valid and binding obligation of each such Person enforceable against such Person in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the enforceability of creditors' rights generally and to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

5.04 Governmental Approvals.

No action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required in connection with the Transactions, except for such as have been made or obtained and are in full force and effect or those which the failure to obtain could not reasonably be expected to result in a Material Adverse Effect.

5.05 Financial Statements.

The Borrower has heretofore furnished to the Lenders its consolidated balance sheets and related statements of income, stockholders' equity and cash flows as of and for the fiscal year ended December 31, 2020, audited by and accompanied by the opinion of PricewaterhouseCoopers LLP, independent public accountants. Such financial statements present fairly, in all material respects, the financial condition and results of operations and cash flows of the Borrower and its consolidated Subsidiaries as of such date and for such period referred to therein in accordance with GAAP, subject to normal year-end audit adjustments and the absence of footnotes when the foregoing representation in this Section 5.05 is deemed to refer to the most recent statements furnished pursuant to clause (b) of Section 6.04.

5.06 No Material Adverse Change.

As of the Third Amendment and Restatement Effective Date, since December 31, 2020, there has been no material adverse change in the financial condition, results of operations or business of the Borrower and the Subsidiaries, taken as a whole, other than as disclosed in the Borrower's current reports on Form 8-K, as filed with the SEC prior to the Third Amendment and Restatement Effective Date.

5.07 [Reserved].

5.08 Litigation; Compliance with Laws.

(a) There are not any actions, suits or proceedings at law or in equity, or by or before any Governmental Authority now pending or, to the knowledge of the Loan Parties, threatened against or affecting the Company or any Subsidiary or any business, property or rights of any such Person (i) that purport to affect the legality, validity or enforceability of this Agreement or the consummation of the

Transactions or (ii) that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

(b) None of the Company or any of the Subsidiaries is in violation of any law, rule or regulation, or is in default with respect to any judgment, writ, injunction, decree or order of any Governmental Authority, where such violation or default could reasonably be expected to result in a Material Adverse Effect.

5.09 Federal Reserve Regulations.

(a) None of the Loan Parties is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying Margin Stock.

(b) No part of the proceeds of any Loan or any Letter of Credit will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry Margin Stock or to extend credit to others for the purpose of purchasing or carrying Margin Stock or for any purpose that entails a violation of, or that is inconsistent with, the provisions of Regulations T, U or X of the FRB.

5.10 Investment Company Act.

None of the Loan Parties is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

5.11 Use of Proceeds.

The Borrower will use the proceeds of the Credit Extensions solely for general corporate purposes of the Company and its Subsidiaries, including (a) working capital, (b) capital expenditures, (c) (i) the funding of Share Repurchases and (ii) other Restricted Payments permitted hereunder, (d) acquisitions and other investments and (e) the repayment of all amounts outstanding or due under the Existing Credit Agreement.

5.12 Tax Returns.

Each of the Company and the Subsidiaries has filed or caused to be filed all federal, state, local and foreign Tax returns or materials required to have been filed by it and has paid or caused to be paid all Taxes due and payable by it and all assessments received by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Company or such Subsidiary, as applicable, shall have set aside on its books adequate reserves with respect thereto in accordance with GAAP or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

5.13 No Material Misstatements.

None of (a) the Confidential Information Memorandum or (b) any other information, report, financial statement, exhibit or schedule furnished by or on behalf of the Loan Parties to the Administrative Agent or any Lender in connection with the negotiation of this Agreement (other than any information of a general economic or industry nature) contains, when furnished, any material misstatement of fact or omits to state any material fact necessary to make the statements therein taken as a whole, in the light of the circumstances under which they were made, not materially misleading; provided that to the extent any such information, report, financial statement, exhibit or schedule was based upon or constitutes a forecast or projection, each of the Loan Parties represents only that it acted in good faith and utilized reasonable assumptions at the time prepared and at the time furnished to the Administrative Agent or any Lender and due care in the preparation of such information, report, financial statement, exhibit or schedule (it being understood that projections as to future events are not to be viewed as facts or guaranties of future performance, that actual results during the period or periods covered by such projections may differ from the projected results and that such differences may be material and that no assurances are being given that such projections will be in fact realized).

5.14 Employee Benefit Plans.

(a) No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events, could reasonably be expected to result in a Material Adverse Effect.

(b) As of the Third Amendment and Restatement Effective Date, the Company is not and will not be (1) an employee benefit plan subject to Title I of ERISA, (2) a plan or account subject to Section 4975 of the Internal Revenue Code, (3) an entity deemed to hold "plan assets" of any such plans or accounts for purposes of ERISA or the Internal Revenue Code, or (4) a "governmental plan" within the meaning of ERISA.

5.15 Environmental Matters.

Except with respect to any matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Company nor any of the Subsidiaries (a) 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, (b) is subject to any Environmental Liability, (c) has received written notice of any claim with respect to any Environmental Liability or (d) knows of any basis for any Environmental Liability of the Company or the Subsidiaries.

5.16 Senior Indebtedness.

The Loans and other obligations hereunder constitute "senior indebtedness" (or such other similar term) under and as defined in the definitive documentation governing any Subordinated Indebtedness.

5.17 No Default.

No Default has occurred and is continuing.

5.18 OFAC.

Neither the Company nor any of its Subsidiaries, nor, to the knowledge of the Company and its Subsidiaries, any director, officer, employee, agent, affiliate or representative thereof, is an individual or entity currently the subject of any Sanctions, nor is the Company or any Subsidiary located, organized or resident in a Designated Jurisdiction.

5.19 Anti-Corruption Laws and Sanctions.

The Company and its Subsidiaries have conducted their businesses in compliance in all material respects with applicable anti-corruption laws and Sanctions and have instituted and maintained policies and procedures reasonably designed to promote and achieve compliance with such laws.

5.20 Affected Financial Institutions.

None of the Loan Parties is an Affected Financial Institution.

ARTICLE VI

AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied (other than contingent indemnification obligations for which no claim has been asserted), or any Letter of Credit shall remain outstanding (other than any Letter of Credit for which the Borrower has provided Cash Collateral in accordance with the terms hereof), each Loan Party shall, and the Loan Parties shall cause each Subsidiary to:

6.01 Existence; Businesses and Properties; Compliance with Laws.

(a) Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence, except as otherwise permitted under Section 7.03.

(b) Preserve, renew and maintain in full force and effect its good standing under the laws of the jurisdiction of its organization, except to the extent the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(c) Do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect its rights, licenses, permits, franchises, authorizations, patents, copyrights, trademarks and trade names, and comply in all material respects with all applicable laws, rules, regulations and decrees and orders of any Governmental Authority, in each case except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

6.02 Insurance.

Maintain with responsible and reputable insurance companies insurance, to such extent and against such risks as is customary with companies in the same or similar businesses operating in the same or similar locations.

6.03 Obligations and Taxes.

Pay its Indebtedness and other obligations, including Taxes, before the same shall become delinquent or in default, except where (a) the validity or amount thereof shall be contested in good faith by appropriate proceedings and the Company shall have set aside on its books adequate reserves with respect thereto in accordance with GAAP or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

6.04 Financial Statements, Reports, etc. In the case of the Company, furnish to the Administrative Agent:

(a) within 105 days after the end of each fiscal year, its consolidated balance sheet and related statements of income, stockholders' equity and cash flows as of the close of and for such fiscal year, together with comparative figures for the immediately preceding fiscal year, all audited by PricewaterhouseCoopers LLP or other independent public accountants of recognized national standing and accompanied by an opinion of such accountants (which shall either (i) not be qualified in any material respect (excluding for purposes of this clause (i) any "going concern" or like qualification or exception solely to the extent of, related solely to or resulting solely from the classification of the Loans hereunder as short-term indebtedness during the twelve-month period ending as of the Maturity Date) or (ii) be reasonably acceptable to the Required Lenders) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Company and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) within 50 days after the end of each of the first three fiscal quarters of each fiscal year, its consolidated balance sheet and related statements of income, stockholders' equity and cash flows as of the close of and for such fiscal quarter and the then elapsed portion of the fiscal year, and comparative figures for the same periods in the immediately preceding fiscal year, all certified by one of its Responsible Officers as presenting fairly in all material respects the financial condition and results of operations of the Company and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under paragraph (a) or (b) above, a Compliance Certificate executed by a Responsible Officer of the Company (i) certifying that no Event of Default or Default has occurred or, if such an Event of Default or Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto, (ii) setting forth computations in reasonable detail satisfactory to the Administrative Agent demonstrating compliance with the covenant contained in Section 7.05 and (iii) stating whether any material change in

GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 5.05 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(d) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by the Company or any Subsidiary with the SEC, or with any national securities exchange, or distributed to its shareholders generally, as the case may be;

(e) [reserved];

(f) promptly, from time to time, such other information regarding the operations, business affairs and financial condition of the Company or any Subsidiary, or compliance with the terms of this Agreement, as the Administrative Agent or any Lender may reasonably request;

(g) promptly, following a request by any Lender, all documentation and other information that such Lender reasonably requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act and the Beneficial Ownership Regulation.

Documents required to be delivered pursuant to this Section 6.04 (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower or the Parent posts such documents, or provides a link thereto on the Borrower's or the Parent's website on the Internet at the website address listed on Schedule 11.02; or (ii) on which such documents are posted on the Borrower's or the Parent's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided, that: (i) the Company shall deliver paper copies of such documents required to be delivered pursuant to Section 6.04(a) and (b) to the Administrative Agent or any Lender upon its request to the Borrower to deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (ii) the Borrower shall notify the Administrative Agent (by telecopier or electronic mail) of the posting of any such documents required to be delivered pursuant to Section 6.04(a) and (b). The Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request for delivery by a Lender, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Borrower hereby acknowledges that (a) the Administrative Agent and/or the Joint Lead Arrangers will make available to the Lenders and the L/C Issuers materials and/or information provided by or on behalf of the Loan Parties hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on DebtDomain, IntraLinks, Syndtrak, ClearPar, or another similar electronic system (the "Platform") and (b) certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to any of the Company, its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Loan Parties hereby agree that upon the written request of the Administrative Agent (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Loan Parties shall be deemed to have authorized the Administrative Agent, the Joint Lead Arrangers, the L/C Issuers and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Borrower or the Parent or its respective securities for purposes of United States Federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 11.07); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information;" and (z) the Administrative Agent and the Joint Lead Arrangers shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information."

6.05 Litigation and Other Notices. In the case of the Company, furnish to the Administrative Agent prompt written notice of the following after actual knowledge thereof by any Responsible Officer of the Company:

(a) any Event of Default or Default, specifying the nature and extent thereof and the corrective action (if any) taken or proposed to be taken with respect thereto;

(b) the filing or commencement of, or any written threat or notice of intention of any Person to file or commence, any action, suit or proceeding, whether at law or in equity or by or before any Governmental Authority, against the Company or any Subsidiary thereof that could reasonably be expected to result in a Material Adverse Effect;

(c) any change in the rating by S&P or Moody's of the Index Debt; and

(d) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect.

6.06 Maintaining Records; Access to Properties and Inspections.

Keep books of record and account in all material respects in conformity with GAAP and all requirements of law in relation to its business and activities. The Company will, and will cause each of its Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect the financial records and the properties of the Company or any Subsidiary at reasonable times and to make extracts from and copies of such financial records, and permit any representatives designated by the Administrative Agent or any Lender to discuss the affairs, finances and condition of the Company or any Subsidiary with the officers thereof and independent accountants therefor (so long as an officer of the Company or the Borrower is provided a reasonable opportunity to participate in any such meeting with the independent accountants); provided that, unless a Default or Event of Default has occurred and is continuing, (i) such visitations or inspections shall be limited to one (1) time in any twelve-month period and (ii) the costs and expenses of such a visitation or inspection shall be the responsibility of the inspecting party or parties. Notwithstanding the foregoing or any other provision of this Agreement, in no event will the Company or its Subsidiaries be required to disclose to the Administrative Agent or any Lender privileged documents or other documents the disclosure of which would violate regulatory or contractual confidentiality obligations binding upon the Company or any of its Subsidiaries.

6.07 Use of Proceeds.

Use the proceeds of the Credit Extensions only for the purposes set forth in Section 5.11.

6.08 Anti-Corruption Laws and Sanctions.

Maintain policies and procedures reasonably designed to promote and achieve compliance by the Company and its Subsidiaries with applicable anti-corruption laws and Sanctions.

6.09 Guarantors.

(a) Parent Guaranty. On the Holdco Reorganization Effective Date, the Parent shall Guarantee the Obligations hereunder by executing and delivering to the Administrative Agent a Joinder Agreement, together with (i) a customary secretary's certificate containing the items set forth in Section 4.01(e) with respect to the Parent, (ii) a favorable opinion of legal counsel to the Parent, addressed to the Administrative Agent and each Lender, dated as of the Holdco Reorganization Effective Date, in form and substance reasonably satisfactory to the Administrative Agent and consistent with the opinions of legal counsel delivered on the Third Amendment and Restatement Effective Date and (iii) such documentation and other information reasonably requested by the Administrative Agent or the Lenders that is required to satisfy applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the USA PATRIOT Act and the Beneficial Ownership Regulation.

(b) Intermediate Holding Company Guaranties. On the Holdco Reorganization Effective Date, or, if later, within thirty (30) days (or such later date as may be agreed to by the Administrative Agent) the date such Intermediate Holding Company is created or formed, the Parent shall cause each Intermediate Holding Company to Guarantee the Obligations hereunder by executing and delivering to the Administrative Agent a Joinder Agreement together with (i) a customary secretary's certificate containing the items set forth in Section 4.01(e) with respect to such Intermediate Holding Company, (ii) a favorable opinion of legal counsel to such Intermediate Holding Company, addressed to the Administrative Agent and each Lender, dated as of the effective date of such Joinder Agreement, in form and substance reasonably satisfactory to the Administrative Agent and consistent with the opinions of legal counsel delivered on the Third Amendment and Restatement Effective Date and (iii) such documentation and other information reasonably requested by the Administrative Agent or the Lenders that is required to satisfy applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the USA PATRIOT Act and the Beneficial Ownership Regulation.

(c) Subsidiary Guaranties. At its option, the Borrower may cause any of its Subsidiaries (each such Subsidiary, a "Subsidiary Guarantor") to Guarantee the Obligations hereunder, pursuant to a Joinder Agreement executed by such Subsidiary and delivered to the Administrative Agent, together with (i) a customary secretary's certificate containing the items set forth in Section 4.01(e) with respect to such Subsidiary, (ii) a favorable opinion of legal counsel to such Subsidiary, addressed to the Administrative Agent and each Lender, dated as of the effective date of such Joinder Agreement, in form and substance reasonably satisfactory to the Administrative Agent and consistent with the opinions of legal counsel delivered on the Third Amendment and Restatement Effective Date and (iii) such documentation and other information reasonably requested by the Administrative Agent or the Lenders that is required to satisfy applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the USA PATRIOT Act and the Beneficial Ownership Regulation.

(d) Release of Subsidiary Guaranties. Subject to (i) the absence of any continuing or immediately resulting Event of Default and (ii) the receipt by the Administrative Agent of a certificate signed by a Responsible Officer of the Borrower confirming that such release is permitted by Section 6.09(d)(i) of this Agreement and that there is no continuing Event of Default after giving effect thereto, the Administrative Agent shall, at the request and expense of the Borrower, and without the need for any consent or approval by the Lenders, execute and deliver an instrument of release to evidence any termination of a Joinder Agreement described in Section 6.09(c) in a form reasonably acceptable to the Borrower and the Administrative Agent with respect to any Subsidiary Guarantor. No Guarantor shall be released from its Guaranty except as contemplated by this clause (d), or Section 10.08 or 11.01.

ARTICLE VII

NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied (other than any contingent indemnification obligations for which no claim has been asserted), or any Letter of Credit shall remain outstanding (other than any Letter of Credit for which the Borrower has provided Cash Collateral in accordance with the terms hereof), no Loan Party shall, nor shall the Loan Parties permit any Subsidiary to, directly or indirectly:

7.01 Subsidiary Indebtedness. With respect to the Subsidiaries (other than any Subsidiary that is a Loan Party), incur, create, issue, assume or permit to exist any Indebtedness or preferred stock, except:

(a) Indebtedness or preferred stock existing on the Third Amendment and Restatement Effective Date and having a principal amount (or, in the case of preferred stock, a liquidation preference), in each case less than $25,000,000 and, in the case of any such Indebtedness, any extensions, renewals or replacements thereof to the extent the principal amount of such Indebtedness is not increased, and such Indebtedness, if subordinated to the Obligations, remains so subordinated on terms no less favorable to the Lenders, and the original obligors in respect of such Indebtedness remain the only obligors thereon;

(b) Indebtedness created or existing hereunder;

(c) intercompany Indebtedness or preferred stock to the extent owing to or held by the Company or another Subsidiary;

(d) Indebtedness of any Subsidiary (other any Subsidiary that is a Loan Party) incurred to finance the acquisition, construction or improvement of any fixed or capital assets, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof; provided that (i) such Indebtedness is incurred prior to or within 180 days after such acquisition or the completion of such construction or improvement and (ii) the aggregate principal amount of Indebtedness at any time outstanding permitted by this Section 7.01(d), when combined with the aggregate principal amount of all Capital Lease Obligations incurred pursuant to Section 7.01(e) and then outstanding and all Indebtedness incurred pursuant to Section 7.01(f) and then outstanding, shall not exceed the greater of (x) $1,250,000,000 and (y) 20% of Consolidated Net Worth;

(e) Capital Lease Obligations in an aggregate principal amount at any time outstanding, when combined with the aggregate principal amount of all Indebtedness incurred pursuant to Section 7.01(d) and then outstanding and Section 7.01(f) and then outstanding, not to exceed the greater of (x) $1,250,000,000 and (y) 20% of Consolidated Net Worth;

(f) Indebtedness of any Person that becomes a Subsidiary after the Third Amendment and Restatement Effective Date (other than any such Subsidiary that is a Loan Party); provided that (i) such Indebtedness exists at the time such Person becomes a Subsidiary and is not created in contemplation of or in connection with such Person becoming a Subsidiary, (ii) immediately before and after such Person becomes a Subsidiary, no Event of Default or Default shall have occurred and be continuing and (iii) the aggregate principal amount of Indebtedness at any time outstanding permitted by this clause (f), when combined with the aggregate principal amount of all Indebtedness incurred pursuant to Section 7.01(d) and then outstanding and all Capital Lease Obligations incurred pursuant to Section 7.01(e) and then outstanding, shall not exceed the greater of (x) $1,250,000,000 and (y) 20% of Consolidated Net Worth;

(g) Indebtedness under performance bonds or with respect to workers' compensation claims, in each case incurred in the ordinary course of business;

(h) additional Indebtedness (including attributable Indebtedness in respect of Sale and Leaseback Transactions) or preferred stock of the Subsidiaries (other any Subsidiary that is a Loan Party) to the extent not otherwise permitted by the foregoing clauses of this Section 7.01 in an aggregate principal amount at any time outstanding (or, in the case of preferred stock, with an aggregate liquidation preference), when combined (without duplication) with the amount of obligations of the Company and its Subsidiaries secured by Liens pursuant to Section 7.02(l) and then outstanding, not to exceed the greater of (x) $1,250,000,000 and (y) 20% of Consolidated Net Worth;

(i) Indebtedness in respect of netting services, overdraft protections and otherwise arising from treasury, depository and cash management services or in connection with any automated clearing-house transfers of funds, overdraft or any similar services, in each case in the ordinary course of business;

(j) Indebtedness in the form of purchase price adjustments and earn-outs incurred in connection with any acquisition or joint venture investment not prohibited hereunder; and

(k) Indebtedness owing to any insurance company in connection with the financing of insurance premiums permitted by such insurance company in the ordinary course of business.

7.02 Liens. Create, incur, assume or permit to exist any Lien on any property or assets (including Equity Interests or other securities of any Person, including any Subsidiary) now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof, except:

(a) Liens on property or assets of the Borrower and its Subsidiaries existing on the Third Amendment and Restatement Effective Date and encumbering property or assets with a fair market value, and securing obligations having a principal amount, in each case of less than $25,000,000; provided that (x) such Liens shall secure only those obligations which they secure on the Third Amendment and Restatement Effective Date and extensions, renewals and replacements thereof permitted hereunder and (y) such Liens shall not apply to any other property or assets of the Company or any of the Subsidiaries;

(b) any Lien existing on any property or asset prior to the acquisition thereof by the Company or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary after the Third Amendment and Restatement Effective Date prior to the time such Person becomes a Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Lien does not apply to any other property or assets of the Company or any Subsidiary and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be and extensions, renewals and replacements thereof permitted hereunder;

(c) Liens for Taxes not yet delinquent or which are being contested in compliance with Section 6.03;

(d) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business and securing obligations that are not overdue by more than 90 days or which are being contested in compliance with Section 6.03;

(e) pledges and deposits made in the ordinary course of business in compliance with workmen's compensation, unemployment insurance and other social security laws or regulations;

(f) deposits to secure the performance of bids, trade contracts (other than for Indebtedness), leases (other than Capital Lease Obligations), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(g) zoning restrictions, easements, rights-of-way, restrictions on use of real property and other similar encumbrances incurred in the ordinary course of business which, in the aggregate, are not substantial in amount and do not materially detract from the marketability of the property subject thereto or interfere with the ordinary conduct of the business of the Company or any of its Subsidiaries;

(h) purchase money security interests in real property, improvements thereto or equipment hereafter acquired (or, in the case of improvements, constructed) by the Company or any Subsidiary; provided that (i) such security interests secure Indebtedness not prohibited by Section 7.01, (ii) such security interests are incurred, and the Indebtedness secured thereby is created, within 180 days after such acquisition (or construction) and (iii) such security interests do not apply to any other property or assets of the Company or any Subsidiary;

(i) Liens in respect of judgments that do not constitute an Event of Default;

(j) Liens, if any, in favor of the Administrative Agent on Cash Collateral delivered pursuant to Section 2.14(a);

(k) Liens on property or assets of the Company and its Subsidiaries securing Indebtedness permitted by Section 7.01(e); provided that (x) any such Lien shall attach to the property being acquired, constructed or improved with such Indebtedness and (y) such Liens do not apply to any other property or assets of the Company or any Subsidiary;

(l) Liens not otherwise permitted by the foregoing clauses of this Section 7.02 securing obligations otherwise permitted by this Agreement in an aggregate principal and face amount at any time outstanding, when combined (without duplication) with the amount of Indebtedness or preferred stock of Subsidiaries incurred pursuant to Section 7.01(h) and then outstanding, not to exceed the greater of (x) $1,250,000,000 and (y) 20% of Consolidated Net Worth;

(m) bankers' liens, rights of setoff or similar rights and remedies as to deposit accounts or other funds maintained with depository institutions and securities accounts and other financial assets maintained with securities intermediaries;

(n) Liens arising by virtue of Uniform Commercial Code financing statement filings (or similar filings under applicable law) regarding operating leases entered into by the Company and the Subsidiaries in the ordinary course of business;

(o) Liens representing any interest or title of a licensor, lessor or sublicensor or sublessor, or a licensee, lessee or sublicensee or sublessee, in the property subject to any lease (other than Capital Lease Obligations), license or sublicense or concession agreement permitted by this Agreement;

(p) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(q) Liens on specific items of inventory or other goods and proceeds thereof of any Person securing such Person's obligations in respect of bankers' acceptances or letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods in the ordinary course of business;

(r) deposits of cash with the owner or lessor of premises leased and operated by the Company or any Subsidiary to secure the performance of its obligations under the lease for such premises, in each case in the ordinary course of business;

(s) Liens on cash and cash equivalents deposited with a trustee or a similar Person to defease or to satisfy and discharge any Indebtedness, provided that such defeasance or satisfaction and discharge is permitted hereunder;

(t) Liens that are contractual rights of setoff;

(u) Liens arising out of consignment or similar arrangements for the sale of goods entered into by the Company or any Subsidiary in the ordinary course of business;

(v) in connection with the sale or transfer of any Equity Interests or other assets in a transaction permitted under Section 7.03, customary rights and restrictions contained in agreements relating to such sale or transfer pending the completion thereof;

(w) in the case of (i) any Subsidiary that is not a Wholly Owned Subsidiary or (ii) the Equity Interests in any Person that is not a Subsidiary, any encumbrance or restriction, including any put and call arrangements, related to Equity Interests in such Subsidiary or such other Person set forth in the organizational documents of such Subsidiary or such other Person or any related joint venture, shareholders' or similar agreement;

(x) Liens solely on any cash earnest money deposits, escrow arrangements or similar arrangements made by the Company or any Subsidiary in connection with any letter of intent or purchase agreement for an acquisition or other transaction permitted hereunder;

(y) (i) deposits made in the ordinary course of business to secure obligations to insurance carriers providing casualty, liability or other insurance to the Company and the Subsidiaries and (ii) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto; ~~and~~

(z) Liens on the net cash proceeds of any Indebtedness described in clause (ii) of the definition of Total Debt held in escrow by a third party escrow agent prior to the release thereof from escrow~~.~~; and

(aa) Liens on accounts receivable and the proceeds thereof existing or deemed to exist in connection with any Receivables Purchase Transaction, to the extent arising as a result of a recharacterization of a sale of accounts receivable thereunder.

7.03 Mergers, Consolidations and Sales of Assets.

Merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions (whether pursuant to a merger, consolidation or otherwise)) all or substantially all the assets (whether now owned or hereafter acquired) of the Company and its Subsidiaries, taken as a whole, or

liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Event of Default or Default shall have occurred and be continuing, (a) any Person (may merge into the Borrower in a transaction in which the Borrower is the surviving corporation, (b) subject to Section 6.09, any Person (other than the Borrower or the Parent) may merge into or consolidate with any Subsidiary in a transaction in which the surviving entity is a Subsidiary, (c) any Subsidiary (other than, if the Holdco Reorganization Effective Date has occurred, the Borrower) may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders, (d) if the Holdco Reorganization Effective Date has occurred, any Person (other than the Borrower) may merge into the Parent or any Intermediate Holding Company in a transaction in which the Parent or the Intermediate Holding Company, as applicable, is the surviving corporation and (e) any Subsidiary may sell, transfer, lease or otherwise dispose of its assets, and the Company may sell, transfer, lease or otherwise dispose of any of its Subsidiaries (other than, if the Holdco Reorganization Effective Date has occurred, the Borrower), in each case pursuant to one or more mergers or consolidations of any such Subsidiary with other Persons (other than the Borrower) so long as after giving effect to such merger or consolidation or series of mergers and consolidations, as the case may be, the Company and its Subsidiaries have not sold, transferred, leased or otherwise disposed of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole.

7.04 Business of the Loan Parties and their Subsidiaries.

Engage to any material extent in any business or business activity other than businesses of the type currently conducted by the Company and the Subsidiaries and business activities reasonably related thereto.

7.05 Maximum Leverage Ratio.

Permit the Leverage Ratio (a) on the last day of the period of four consecutive fiscal quarters of the Company ending as of March 31, 2021, taken as one accounting period, to be greater than 4.50:1.00 and (b) on the last day of any period of four consecutive fiscal quarters of the Company in each case taken as one accounting period, commencing with such period ending as of June 31, 2021, to be greater than 4.00:1.00 (the "Maintenance Leverage Ratio"); provided that, in the event the Company consummates a Qualified Acquisition, the Borrower may elect by notice to the Administrative Agent (which election may be made (x) at any time on or prior to the date that the next Compliance Certificate is delivered pursuant to Section 6.04(c) following the consummation of such Qualified Acquisition and (y) in such Compliance Certificate) that the Maintenance Leverage Ratio be (and, subject to this Section 7.05, the Maintenance Leverage Ratio shall be) (i) with respect to the last day of the fiscal quarter in which such Qualified Acquisition is consummated and with respect to the last day of each of the next succeeding three (3) fiscal quarters, 4.50:1.00 (a "Leverage Holiday") and (ii) with respect to the last day of the fiscal quarter following the first anniversary of the consummation of such Qualified Acquisition and thereafter, 4.00:1.00, provided further that, following any Leverage Holiday, the Borrower shall not be entitled to make another such election unless and until the Maintenance Leverage Ratio shall have been equal to or less than 4.00:1.00 on the last day of at least two fiscal quarters following the end of the preceding Leverage Holiday.

7.06 [Reserved].

7.07 Sanctions.

Directly, or indirectly, use the proceeds of any Credit Extension, or lend, contribute or otherwise make available such proceeds to, if the Holdco Reorganization Effective Date has occurred, the Parent or any Subsidiary, joint venture partner or other individual or entity, to fund any activities of or business with any individual or entity, that, at the time of such funding, is the subject of Sanctions, or in any country or territory that, at the time of such funding, is a Designated Jurisdiction, except to the extent licensed by OFAC or otherwise authorized under U.S. law, or in any other manner that will result in a violation by any individual or entity (including any individual or entity participating in the transaction, whether as Lender, Joint Lead Arranger, Administrative Agent, L/C Issuer, Swing Line Lender, or otherwise) of Sanctions.

7.08 Anti-Corruption Laws.

Directly, or to the knowledge of the Borrower, indirectly use the proceeds of any Credit Extension for any purpose which would breach the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, or other similar legislation in other jurisdictions.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

8.01 Events of Default.

Any of the following shall constitute an Event of Default:

(a) any representation or warranty made or deemed made in or in connection with this Agreement or the Borrowings or issuances of Letters of Credit hereunder, or any representation, warranty, statement or information contained in any report, certificate, financial statement or other instrument furnished in connection with or pursuant to this Agreement, shall prove to have been false or misleading in any material respect when so made, deemed made or furnished;

(b) the 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 due hereunder, or (iii) within five Business Days after the same becomes due, any other amount payable hereunder or under any other Loan Document;

(c) default shall be made in the due observance or performance by the Loan Parties of any covenant, condition or agreement contained in Section 6.01(a) (with respect to the Parent or the Borrower), 6.05(a), 6.07, 6.09(a) or in Article VII;

(d) default shall be made in the due observance or performance by the Loan Parties of any covenant, condition or agreement contained in this Agreement (other than those specified in paragraphs (b) or (c) above) and such default shall continue unremedied for a period of 30 days after the earlier of (i) the date such default first becomes known to any Responsible Officer of the Borrower and (ii) written notice thereof from the Administrative Agent to the Borrower (which notice will be given at the request of any Lender);

(e) (i) the Parent, the Borrower or any Material Subsidiary shall fail to pay any principal or interest, regardless of amount, due in respect of any Material Indebtedness, when and as the same shall become due and payable (after giving effect to any applicable grace period), or (ii) any other event or condition occurs (after giving effect to any applicable grace period) that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity (other than (i) customary non-default mandatory prepayment requirements, including mandatory prepayment events associated with asset sales, casualty events, debt or equity issuances, extraordinary receipts or borrowing base limitations and (ii) any prepayment, repurchase, redemption or defeasance of any Indebtedness described in clause (ii) of the definition of Total Debt if the related Qualified Acquisition is not consummated);

(f) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of the Parent, the Borrower or any Material Subsidiary, or of a substantial part of the property or assets of the Parent, the Borrower or any Material Subsidiary, under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law, (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Parent, the Borrower or any Material Subsidiary or for a

substantial part of the property or assets of the Parent, the Borrower or any Material Subsidiary or (iii) the winding-up or liquidation of the Parent, the Borrower or any Material Subsidiary; and such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(g) the Parent, the Borrower or any Material Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in paragraph (f) above, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Parent, the Borrower or any Material Subsidiary or for a substantial part of the property or assets of the Parent, the Borrower or any Material Subsidiary, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) become unable, admit in writing its inability or fail generally to pay its debts as they become due or (vii) take any action for the purpose of effecting any of the foregoing;

(h) a judgment for the payment of money in an amount in excess of $200,000,000 shall be rendered against the Parent, the Borrower or any Material Subsidiary and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to levy upon assets or properties of the Parent, the Borrower or any Material Subsidiary to enforce any such judgment; provided, however, that any such judgment shall not be an Event of Default under this paragraph (h) if and for so long as (i) the entire amount of such judgment in excess of $200,000,000 is covered by a valid and binding policy of insurance between the defendant and the insurer covering payment thereof and (ii) such insurer, which shall be rated at least "A" by A.M. Best Company, has been notified of, and has not disputed the claim made for payment of the amount of such judgment;

(i) an ERISA Event shall have occurred that results in liability of the Company and its ERISA Affiliates exceeding $200,000,000;

(j) there shall have occurred a Change in Control; or

(k) other than as a result of the satisfaction in full of all the Obligations (excluding contingent indemnification obligations for which no claim has been asserted) or a release pursuant to Section 6.09(d) or 10.08, (i) any material provision of the Guaranty at any time and for any reason other than as permitted hereunder, ceases to be in full force and effect, (ii) any Loan Party or any other Subsidiary contests in any manner the validity or enforceability of any provision of the Guaranty or (iii) any Guarantor denies that it has any or further liability or obligation under the Guaranty, or purports to revoke, terminate or rescind any provision of the Guaranty.

8.02 Remedies Upon Event of Default.

If any Event of Default occurs and is continuing at any time, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, by written notice to the Borrower, take any or all of the following actions:

(a) declare the commitment of each Lender to make Loans and any obligation of each 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 the Loan Parties;

(c) require that the Borrower Cash Collateralize the L/C Obligations (in an amount equal to the then Outstanding Amount thereof); and

(d) exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to any Loan Party under the Bankruptcy Code of the United States, the obligation of each Lender to make Loans and any obligation of each 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 the Borrower to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

8.03 Application of Funds.

After the exercise of remedies 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 2.14 and 2.15, be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit Fees) payable to the Lenders and L/C Issuers (including fees, charges and disbursements of counsel to the respective Lenders and L/C Issuers) arising under the Loan Documents and amounts payable under Article III, ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid Letter of Credit Fees and interest on the Loans and L/C Borrowings, ratably among the Lenders and L/C Issuers in proportion to the respective amounts described in this clause Third held by them;

Fourth, to (a) payment of that portion of the Obligations constituting accrued and unpaid principal of the Loans and L/C Borrowings and (b) Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit, ratably among the Lenders and L/C Issuers in proportion to the respective amounts described in this clause Fourth held by them; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Law.

Subject to Sections 2.03(c) and 2.14, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fourth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above or if the Obligations above have been fully satisfied, released to the Borrower, if applicable.

ARTICLE IX

ADMINISTRATIVE AGENT

9.01 Appointment and Authority.

Each of the Lenders and L/C Issuers hereby irrevocably appoints Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are incidental thereto. The provisions of this Article (other than Section 9.06) are solely for the benefit of the Administrative Agent, the Lenders and the L/C Issuers, and the Loan Parties shall not have rights as a third party beneficiary of any of such provisions.

9.02 Rights as a Lender.

The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Company or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

9.03 Exculpatory Provisions.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; 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 the Company or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken 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 the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 11.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given in writing to the Administrative Agent by a Loan Party, a Lender or an L/C Issuer.

The 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, (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 the Administrative Agent.

9.04 Reliance by Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or L/C Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or L/C Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Loan Parties), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.05 Delegation of Duties.

The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

9.06 Resignation of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders, the L/C Issuers and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right to appoint a successor (and so long as an Event of Default has not occurred and is continuing, with the consent of the Borrower (not to be unreasonably withheld or delayed)), which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders and so long as an Event of Default has not occurred and is continuing, the Borrower) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders and the L/C Issuers, appoint (and so long as an Event of Default has not occurred and is continuing, with the consent of the Borrower (not to be unreasonably withheld or delayed)) a successor Administrative Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender, the Required Lenders may, to the extent permitted by applicable Law by notice in writing to the Borrower and such Person remove such Person as the Administrative Agent and, so long as an Event of Default has not occurred and is continuing, with the consent of the Borrower (not to be unreasonably withheld or

delayed), appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents, (2) all payments and communications provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and L/C Issuer directly and (3) all determinations provided to be made by the Administrative Agent shall instead be made by the Required Lenders, 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 removed Administrative Agent, and the retiring or removed 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 the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 11.04 shall continue in effect for the benefit of such retiring or removed 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 or removal of Bank of America as Administrative Agent pursuant to this Section shall also constitute its resignation or removal 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, 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.

9.07 Non-Reliance on Administrative Agent and Other Lenders.

Each Lender and each L/C Issuer acknowledges that it has, independently and without reliance upon the 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 each L/C Issuer also acknowledges that it will, independently and without reliance upon the 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.

9.08 No Other Duties; Etc.

Anything herein to the contrary notwithstanding, none of the bookrunners, arrangers, syndication agents, documentation agents or co-agents shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or an L/C Issuer hereunder.

9.09 Administrative Agent May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the a Loan Party, the 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 the

Administrative Agent shall have made any demand on a Loan Party) 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 Issuers and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuers and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuers and the Administrative Agent under Sections 2.03(h) and (i), 2.09 and 11.04) 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 each L/C Issuer to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuers, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.09 and 11.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

9.10 Recovery of Erroneous Payments.

Without limitation of any other provision in this Agreement, if at any time the Administrative Agent makes a payment hereunder in error to any Lender or L/C Issuer (the "Credit Party"), whether or not in respect of an Obligation due and owing by the Borrower at such time, where such payment is a Rescindable Amount, then in any such event, each Credit Party receiving a Rescindable Amount severally agrees to repay to the Administrative Agent forthwith promptly on demand, but in any event no later than one Business Day thereafter, the Rescindable Amount received by such Credit Party 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 the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. Each Credit Party irrevocably waives to the extent permitted by applicable law 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) or similar defense to its obligation to return any Rescindable Amount. The Administrative Agent shall inform each Credit Party promptly upon determining that any payment made to such Credit Party comprised, in whole or in part, a Rescindable Amount.

ARTICLE X

GUARANTY

10.01 Guaranty.

Each Guarantor hereby absolutely and unconditionally guarantees, as a guaranty of payment and performance and not merely as a guaranty 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 Obligations, whether for principal, interest, premiums, fees, indemnities, damages, costs, expenses or otherwise, of the Borrower 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 in accordance with Section 11.04). Without limiting the generality of the foregoing, the Obligations shall to the maximum extent permitted by applicable law include any such indebtedness, obligations and liabilities, or portion thereof, which may be or hereafter become unenforceable or compromised or shall be an allowed or disallowed claim under any proceeding or case commenced by or against a Loan Party under any Debtor Relief Laws. The Administrative Agent's books and records showing the amount of the Obligations shall be admissible in evidence in any action or proceeding, and shall be binding upon each Guarantor, and conclusive for the purpose of establishing the amount of the Obligations absent manifest error. This Guaranty shall not be affected by the genuineness, validity, regularity or enforceability of the Obligations or any instrument or agreement evidencing any Obligations, or by the existence, validity, enforceability, perfection, non-perfection or extent of any collateral therefor, or by any fact or circumstance relating to the Obligations which might otherwise constitute a defense to the obligations of any Guarantor under this Guaranty (other than full payment and performance), and each Guarantor hereby irrevocably waives to the maximum extent permitted by applicable law any defenses it may now have or hereafter acquire in any way relating to any or all of the foregoing.

10.02 No Setoff or Deductions; Taxes; Payments.

Each Guarantor represents and warrants that it is organized in the United States of America. Each Guarantor shall make all payments hereunder without setoff or counterclaim and subject to, and in accordance with, Section 3.01, free and clear of and without deduction for any Taxes. The obligations of each Guarantor under this paragraph shall survive the payment in full of the Obligations and termination of this Guaranty. All payments under this Guaranty shall be made in accordance with Section 2.12(a). The obligations hereunder shall not be affected by any acts of any legislative body or governmental authority affecting the Borrower, including, but not limited to, any restrictions on the conversion of currency or repatriation or control of funds or any total or partial expropriation of the Borrower's property, or by economic, political, regulatory or other events in the countries where the Borrower is located.

10.03 Rights of Lenders.

Subject to the terms of this Agreement, each Guarantor consents and agrees to the maximum extent permitted by applicable law that the Lender Parties may, at any time and from time to time, without notice or demand, and without affecting the enforceability or continuing effectiveness hereof: (a) amend, extend, renew, compromise, discharge, accelerate or otherwise change the time for payment or the terms of the 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 Guaranty or any Obligations; (c) apply such security and direct the order or manner of sale thereof as the Administrative Agent, the L/C Issuers and the Lenders in their sole discretion may determine; and (d) release or substitute one or more of any endorsers or other guarantors of any of the Obligations. Without limiting the generality of the foregoing, each Guarantor consents to the taking of, or failure to take, any action which might in any manner or to any extent vary such Guarantor's risks under this Guaranty or which, but for this provision, might operate as a discharge of such Guarantor.

10.04 Certain Waivers.

Each Guarantor waives to the maximum extent permitted by applicable law (a) any defense arising by reason of any disability or other defense of the Borrower or any other guarantors, or the cessation from any cause whatsoever (including any act or omission of any Lender Party) of the liability of the Borrower; (b) any defense based on any claim that such Guarantor's obligations exceed or are more burdensome than those of the Borrower; (c) the benefit of any statute of limitations affecting such Guarantor's liability hereunder; (d) any right to proceed against the Borrower, proceed against or exhaust any security for the Obligations, or pursue any other remedy in the power of any Lender Party whatsoever; (e) any benefit of and any right to participate in any security now or hereafter held by any Lender Party; (f) any defense arising from any law or regulation of any jurisdiction or any other event affecting any term of an obligation of such Guarantor; and (g) to the fullest extent permitted by law, any and all other defenses or benefits that may be derived from or afforded by applicable law limiting the liability of or exonerating guarantors or sureties (other than full payment and performance).

Each Guarantor expressly waives to the maximum extent permitted by applicable 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 Obligations, and all notices of acceptance of this Guaranty or of the existence, creation or incurrence of new or additional Obligations. As provided below, this Guaranty shall be governed by, and construed in accordance with, the laws of the State of New York.

10.05 Obligations Independent.

The obligations of each Guarantor hereunder are those of primary obligor, and not merely as surety, and are independent of the Obligations and the obligations of any other guarantor.

10.06 Limitation on Guarantees.

Notwithstanding any other provisions of this Agreement, the obligations of each Guarantor under this Guaranty shall be limited under the relevant laws applicable to such Guarantor and the granting of this Guaranty (including laws relating to corporate benefit, capital preservation, financial assistance, fraudulent conveyances and transfers, voidable preferences, or transactions under value) to the maximum amount payable such that this Guaranty shall not constitute a fraudulent conveyance, fraudulent transfer, voidable preference, a transaction under value or unlawful financial assistance or otherwise, or under similar laws affecting the rights of creditors generally, cause such Guarantor to be insolvent under relevant law or this Guaranty to be void, unenforceable or ultra vires or cause the directors and officers of such Guarantor to be held in breach of applicable corporate or commercial law providing for this Guaranty. The obligations of each Guarantor will be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such Guarantor (including but not limited to any Guarantee by it of other indebtedness), result in the obligations of such Guarantor under this Guaranty not constituting a fraudulent conveyance or fraudulent transfer under applicable law, or being void or unenforceable under any law relating to insolvency of debtors.

10.07 Subrogation.

Each Guarantor shall not exercise any right of subrogation, contribution, indemnity, reimbursement or similar rights with respect to any payments it makes under this Guaranty until all of the Obligations and any other amounts payable under this Guaranty have been indefeasibly paid and performed in full (other than unasserted indemnification, tax gross up, expense reimbursement or yield protection obligations, in each case, for which no claim has been made) and the Commitments are terminated. If any amounts are paid to any 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 the Lender Parties to reduce the amount of the Obligations, whether matured or unmatured.

10.08 Termination; Reinstatement.

This Guaranty is a continuing and irrevocable guaranty of all Obligations now or hereafter existing and shall remain in full force and effect until all Obligations and any other amounts payable under this Guaranty are indefeasibly paid in full in cash (other than unasserted indemnification, tax gross up, expense reimbursement or yield protection obligations, in each case, for which no claim has been made) and the Commitments are terminated. Notwithstanding the foregoing, this Guaranty shall continue in full force and effect or be revived, as the case may be, if any payment by or on behalf of the Borrower or any Guarantor is made, or any of the Lender Parties exercises its right of setoff, in respect of the 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 Guaranty and regardless of any prior revocation, rescission, termination or reduction. The obligations of each Guarantor under this paragraph shall survive termination of this Guaranty.

10.09 Subordination.

Each Guarantor hereby subordinates the payment of all obligations and indebtedness of the Borrower owing to such Guarantor, whether now existing or hereafter arising, including but not limited to any obligation of the Borrower to such Guarantor as subrogee of the Lender Parties or resulting from such Guarantor's performance under this Guaranty, to the indefeasible payment in full in cash of all Obligations. If the Lender Parties so request after the occurrence and during the continuance of an Event of Default, any such obligation or indebtedness of the Borrower to any Guarantor shall be enforced and performance received by such Guarantor as trustee for the Lender Parties and the proceeds thereof shall be paid over to the Lender Parties on account of the Obligations, but without reducing or affecting in any manner the liability of such Guarantor under this Guaranty.

10.10 Stay of Acceleration.

If acceleration of the time for payment of any of the Obligations is stayed, in connection with any case commenced by or against any Guarantor or the Borrower under any Debtor Relief Laws, or otherwise, all such amounts shall nonetheless be payable by such Guarantor immediately upon written demand by the Lender Parties.

10.11 Miscellaneous.

No failure by the Administrative Agent to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy or power hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein provided are cumulative and not exclusive of any remedies provided by law or in equity. The unenforceability or invalidity of any provision of this Guaranty shall not affect the enforceability or validity of any other provision herein. Unless otherwise agreed by the Administrative Agent and the applicable Guarantor in writing, this Guaranty is not intended to supersede or otherwise affect any other guaranty now or hereafter given by such Guarantor for the benefit of the Administrative Agent, any Lender Party or any term or provision thereof.

10.12 Condition of the Borrower.

Each Guarantor acknowledges and agrees that it has the sole responsibility for, and has adequate means of, obtaining from the Borrower and any other guarantor such information concerning the financial condition, business and operations of the Borrower and any such other guarantor as such Guarantor requires, and that none of the Lender Parties has any duty, and such Guarantor is not relying on the Lender Parties at any time, to disclose to such Guarantor any information relating to the business, operations or financial condition of the Borrower or any other guarantor (such 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).

10.13 Setoff.

If and to the extent any payment is not made when due hereunder and subject to Section 11.08, the Administrative Agent or any Lender may, at any time following the occurrence and during the continuance of Event of Default, set off and charge from time to time any amount so due against any or all of any Guarantor's accounts or deposits with the Administrative Agent or such Lender, respectively.

ARTICLE XI

MISCELLANEOUS

11.01 Amendments, Etc.

No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Loan Parties therefrom, shall be effective unless in writing signed by the Required Lenders and the Loan Parties, as the case may be, and acknowledged by the Administrative

Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, further, that

(a) no such amendment, waiver or consent shall:

(i) 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 whose Commitment is being extended or increased (it being understood and agreed that a waiver of any condition precedent set forth in Section 4.02 or of any Default or a mandatory reduction in Commitments is not considered an extension or increase in Commitments of any Lender);

(ii) postpone any date fixed by this Agreement or any other Loan Document for any payment of principal (excluding voluntary prepayments), interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender entitled to receive such payment (subject to an extension of the Maturity Date of any Lender in accordance with Section 2.16);

(iii) reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to clause (i) of the final proviso to this Section 11.01) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender entitled to receive such payment of principal, interest, fees or other amounts; provided, however, that only the consent of the Required Lenders shall be necessary (i) to amend the definition of "Default Rate" or to waive any obligation of the Borrower to pay interest or Letter of Credit Fees at the Default Rate or (ii) to amend any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or L/C Borrowing or to reduce any fee payable hereunder so long as the primary purpose of the amendments thereto was not to reduce the interest or fees payable hereunder; or

(iv) change any provision of this Section 11.01(a) or the definition of "Required Lenders" without the written consent of each Lender directly affected thereby; or

(v) release the Borrower from its obligations to pay principal or interest on the Loans or any other amounts or obligations payable by the Borrower hereunder (unless otherwise permitted by clauses (i), (ii) and (iii) above without the consent of each Lender) or permit the Borrower to assign or otherwise transfer any of its rights or obligations hereunder or under the other Loan Documents, without the written consent of each Lender directly affected thereby; or

(vi) affect the pro rata sharing of payments among Lenders as provided for in Section 2.13 or Section 8.03 or change any provision of Section 8.03 without the written consent of each Lender directly affected thereby; or

(vii) release the Guaranty provided by the Parent or any Intermediate Holding Company or all or substantially all of the value of the Guaranties without the written consent of each Lender (other than a release pursuant to Section 6.09(d) or 10.08); and

(b) unless also signed by the relevant L/C Issuer, no amendment, waiver or consent shall affect the rights or duties of such L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it;

(c) unless also signed by the Swing Line Lender, no amendment, waiver or consent shall affect the rights or duties of the Swing Line Lender under this Agreement; and

(d) unless also signed by the Administrative Agent, no amendment, waiver or consent shall affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document;

provided, however, that notwithstanding anything to the contrary herein, (i) the Facilities Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto, (ii) 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, (iii) each Lender is entitled to vote as such Lender sees fit on any bankruptcy reorganization plan that affects the Loans, and each Lender acknowledges that the provisions of Section 1126(c) of the Bankruptcy Code of the United States supersedes the unanimous consent provisions set forth herein, (iv) the Required Lenders shall determine whether or not to allow the Borrower to use cash collateral in the context of a bankruptcy or insolvency proceeding and such determination shall be binding on all of the Lenders and (v) the L/C Issuers and the Borrower may amend this Agreement to increase the Letter of Credit Sublimit and/or the L/C Fronting Sublimit in accordance with Section 2.03(l) without the consent of any other Lenders, provided that such amendment shall not take effect until acknowledged in writing by the Administrative Agent.

Notwithstanding the foregoing, if the Administrative Agent and the Borrower shall have jointly identified an obvious error or any error or omission of a technical nature, in each case, in any provision of the Loan Documents, then the Administrative Agent and the Borrower shall be permitted to amend such provision, and, in each case, such amendment shall become effective without any further action or consent of any other party to any Loan Document if the same is not objected to in writing by the Required Lenders to the Administrative Agent within 10 Business Days following receipt of notice thereof.

Notwithstanding the foregoing, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrower (i) to add one or more additional credit facilities to this Agreement, to permit the extensions of credit from time to time outstanding hereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Revolving Loans and the accrued interest and fees in respect thereof and to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and (ii) to change, modify or alter Section 2.13 or Section 8.03 or any other provision hereof relating to pro rata sharing of payments among the Lenders to the extent necessary to effectuate any of the amendments (or amendments and restatements) enumerated in clause (i) above.

11.02 Notices and Other Communications; Facsimile Copies.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing (including electronic format such as electronic mail or telecopier) and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier or electronic mail 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:

(i) if to the Borrower, the Administrative Agent, the L/C Issuers or the Swing Line Lender, to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule 11.02;

(ii) if to any Guarantor, to the Borrower's address, telecopier number, electronic mail address or telephone number specified for the Borrower in Schedule 11.02; and

(iii) if to any other Lender, to the address, telecopier number, electronic mail address or telephone number specified in its Administrative Questionnaire (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 the Loan Parties).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices and other communications delivered through electronic communications shall be subject to subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the L/C Issuers hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or L/C Issuer pursuant to Article II if such Lender or L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), 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 received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) 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 THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE 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 THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Loan Parties, any Lender, any 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 the Loan Parties' or the Administrative Agent's transmission of Borrower Materials or notices through the Platform, any other electronic platform or electronic messaging service, or 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 the Loan Parties, any Lender, any 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 the Loan Parties, the Administrative Agent, the L/C Issuers and the Swing Line Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the Loan Parties, the Administrative Agent, the L/C Issuers and the Swing Line Lender. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the 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 Issuers and Lenders. The Administrative Agent, the L/C Issuers and the Lenders shall be entitled to rely and act upon any notices (including telephonic notices, Loan Notices and Swing Line Loan Notices) purportedly given by or on behalf of the Borrower 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. The Borrower shall indemnify the Administrative Agent, each L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower; provided that such indemnity shall not, as to such Person, be available to the extent that such losses, costs, expenses and liabilities are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Person (or the gross negligence or willful misconduct of such Person's controlled affiliates, officers, directors or employees). All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

(f) Private Side Designation. Each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable law, including United States Federal and state securities laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Company, its Affiliates or their respective securities for purposes of United States Federal or state securities laws.

11.03 No Waiver; Cumulative Remedies; Enforcement.

No failure by any Lender, any L/C Issuer or the 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.

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 the Loan Parties 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, the Administrative Agent in accordance with 9.01 for the benefit of all the Lenders and the L/C Issuers; provided, however, that the foregoing shall not prohibit (a) the 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) any L/C Issuer or the Swing Line Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as L/C Issuer or Swing Line Lender, as the case may be) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 11.08 (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 Loan Party 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 the Administrative Agent pursuant to Section 9.01 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.

11.04 Expenses; Indemnity; and Damage Waiver.

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees,

charges and disbursements of counsel for the Administrative Agent), in connection with the preparation, due diligence, negotiation, execution, delivery, administration and syndication of this Agreement and the other Loan Documents or the preparation, negotiation, execution, delivery and administration of any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) to the extent not already paid pursuant to Section 2.03, all reasonable and documented out-of-pocket expenses incurred by an L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, any Lender or any L/C Issuer (including the reasonable and documented out-of-pocket fees, charges and disbursements of any counsel for the Administrative Agent, any Lender or any L/C Issuer), in connection with the enforcement or protection of its rights following the occurrence and during the continuance of an Event of Default (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit. Notwithstanding the foregoing, the obligation to reimburse the Lenders and the L/C Issuers for fees, charges and disbursements of counsel in connection with the matters described in clause (iii) above shall be limited to one separate law firm for the Administrative Agent, the Lenders and the L/C Issuers in each relevant jurisdiction (unless there shall exist an actual or perceived conflict of interest among the Administrative Agent, the Lenders and the L/C Issuers, in which case, one or more additional law firms in each relevant jurisdiction shall be permitted to the extent necessary to eliminate such conflict).

(b) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender, each Joint Lead Arranger, each syndication agent hereunder, each documentation agent hereunder and each L/C Issuer, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable and documented out-of-pocket fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any third party or by a 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 or the consummation of the transactions contemplated hereby or thereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration 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 an 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, leased or operated by the Company or any of its Subsidiaries, or any Environmental Liability related in any way to the Company or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation 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 a Loan Party, and regardless of whether any Indemnitee is a party thereto, in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory or sole negligence of the Indemnitee; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (I) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (x) the gross negligence or willful misconduct of such Indemnitee (or the gross negligence or willful misconduct of such Indemnitee's controlled affiliates, officers, directors or employees) or (y) a breach in bad faith of such Indemnitee's obligations under the Loan Documents, in each case if the Borrower has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction or (II) result from any dispute solely among the Indemnitees other than any claims against an Indemnitee in its capacity or in fulfilling its role as Administrative Agent or any similar role under this Agreement and other than any claims arising out of any act or omission of the Borrower or any of its Affiliates. Notwithstanding the foregoing, the Borrower shall not be liable for the fees, charges and disbursements of more than one separate law firm for all Indemnitees in each relevant jurisdiction with respect to the same matter (unless there shall exist an actual or perceived conflict of interest among the Indemnitees, in which case, one or more additional law firms shall be permitted in each relevant jurisdiction to the extent necessary to eliminate such conflict).

Without limiting the provisions of Section 3.01(c), this Section 11.04(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by them to the Administrative Agent (or any sub-agent thereof), an L/C Issuer or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the relevant 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) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or the relevant L/C Issuer in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) or the relevant L/C Issuer in connection with such capacity. 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, (i) the Loan Parties shall not assert, and the Loan Parties hereby waive, any claim against any Indemnitee, 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 and (ii) the Loan Parties shall not assert, and the Loan Parties hereby waive, any claim against any Indemnitee, on any theory of liability, for 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, except to the extent such damages are determined in a final, nonappealable judgment by a court of competent jurisdiction to have resulted from (x) such Indemnitee's gross negligence, bad faith or willful misconduct or (y) such Indemnitee's material breach of this Agreement or any other Loan Document. 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, in each case not resulting from such Indemnitee's gross negligence, bad faith or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment.

(e) Payments. All amounts due under this Section shall be payable not later than ten Business Days after demand therefor.

(f) Survival. The agreements in this Section shall survive the resignation of the Administrative Agent and the L/C Issuers, the replacement of any Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all the other Obligations.

11.05 Payments Set Aside.

To the extent that any payment by or on behalf of a Loan Party is made to the Administrative Agent, any L/C Issuer or any Lender, or the Administrative Agent, any L/C Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, such L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and each L/C Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the 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 Federal Funds Rate from time to time in effect. The obligations of the Lenders and the L/C Issuers under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

11.06 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement and the other Loan Documents shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns permitted hereby, except that the Loan Parties may not assign or otherwise transfer any of its rights or obligations hereunder or thereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section or (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). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the L/C Issuers and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including all or a portion of its Commitment and the Loans (including for purposes of this subsection (b), participations in L/C Obligations and 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 and the Loans at the time owing to it 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, 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 the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than $5,000,000 unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower 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 the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default pursuant to Section 8.01(b), (f) or (g) 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 the Borrower shall have been deemed to have consented to any such assignment unless it shall have objected thereto by written notice to the Administrative Agent within 10 Business Days after receiving written notice thereof;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required if such assignment is to a Person that

is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender;

(C) the consent of the L/C Issuers (such consent not to be unreasonably withheld or delayed) shall be required for any assignment that increases the obligation of the assignee to participate in exposure under one or more Letters of Credit (whether or not then outstanding); and

(D) the consent of the Swing Line Lender (such consent not to unreasonably withheld or delayed) shall be required for any assignment if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender.

(iii) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of $3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(iv) No Assignment to Certain Persons. No such assignment shall be made (A) to the Borrower or any of the Borrower's Affiliates or Subsidiaries, or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B) or (C) to a natural person.

(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 the 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 the Borrower and the 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 the 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 the Administrative Agent 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 (x) entitled to the benefits of Sections 3.01, 3.04, 3.05 and 11.04 with respect to facts and circumstances occurring prior to the effective date of such assignment and (y) otherwise subject to the obligations set forth in Section 11.07. Upon written request of the Borrower to the assigning Lender, such assigning Lender shall use commercially reasonable efforts to (x) return any related Note issued to the assigning Lender, or (y) in the case of any loss, theft or destruction of any such Note, provide a customary lost note affidavit from the assigning Lender in form and substance reasonably satisfactory to the Borrower. Upon request, the 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 subsection (d) of this Section. Upon request by the Borrower, the Administrative Agent shall promptly notify the Borrower of any transfer by a Lender of its rights or obligations under this Agreement not subject to the Borrower's consent in the form of a list of current Lenders, although the failure to give any such information shall not affect any assignments or result in any liability by the Administrative Agent.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower (and such agency being solely for tax purposes), shall maintain at the Administrative Agent's Office 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 L/C 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 the Borrower, the 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, the 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 the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural person, a Defaulting Lender or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (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 Commitment and/or the Loans (including such Lender's participations in L/C Obligations and/or Swing Line Loans) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent, the other Lenders and the L/C Issuers shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in clauses (i) through (v) of Section 11.01(a) that affects such Participant. Subject to subsection (e) of this Section, the Borrower agrees that each Participant 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. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.13 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Limitation on Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 3.01, 3.04 or 3.05 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant if such Lender had not sold the participation, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of

Section 3.01 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, 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) Resignation as L/C Issuer or Swing Line Lender after Assignment. Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Commitment and Loans pursuant to subsection (b) above, Bank of America may, (i) upon thirty days' notice to the Borrower and the Lenders, resign as L/C Issuer and/or (ii) upon thirty days' notice to the Borrower, resign as Swing Line Lender. In the event of any such resignation as L/C Issuer or Swing Line Lender, the Borrower shall be entitled to appoint from among the Lenders a successor L/C Issuer or Swing Line Lender hereunder; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of Bank of America as L/C Issuer or Swing Line Lender, as the case may be. If Bank of America resigns as L/C Issuer, it shall retain all the rights, powers, privileges and duties of an 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 Bank of America 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 and acceptance of a successor L/C Issuer and/or Swing Line Lender, (1) 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 (2) 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 Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

11.07 Treatment of Certain Information; Confidentiality.

Each of the Administrative Agent, the Lenders and the L/C Issuers agrees to maintain the confidentiality of, and not disclose, the Information (as defined below), except that Information may be disclosed (a) to its Affiliates, to its auditors and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives who need to know such Information in connection with this Agreement and to its and its Affiliates' insurance brokers, insurers and reinsurers in connection with credit risk insurance (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and will be subject to customary confidentiality obligations of professional practice or agree to be bound by the terms of this Section (or language substantially similar to this Section) with the disclosing party responsible for such person's compliance with this Section), (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), in which case the disclosing party agrees, to the extent permitted by law, rule or regulation and reasonably practicable, to inform the Borrower, except with respect to any customary audit or customary examination conducted by bank accountants or any governmental bank regulatory authority exercising examination or regulatory authority, in advance thereof, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process; provided that the Person required to disclose such information shall take reasonable efforts (at the Borrower's expense) to ensure that any Information so disclosed shall be afforded confidential treatment, to the extent permitted by law, rule or regulation and reasonably practicable, to inform the Borrower, except with respect to any customary audit or customary examination conducted by bank accountants or any governmental bank regulatory authority exercising examination or regulatory authority, promptly in advance 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 such Person agreeing to be subject to the provisions of this Section 11.07 or an agreement containing provisions at least as restrictive as those of this Section 11.07, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, 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 under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, (g) with the consent of the Borrower, (h) to any rating agency when required by it in connection with rating the Borrower or the credit facility provided hereunder, provided, that prior to any disclosure, such rating agency shall undertake in writing to preserve the confidentiality of any Information received by it from the Administrative Agent, any L/C Issuer or any Lender, (i) on a confidential basis to the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Loans or (j) 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 Administrative Agent, any Lender, any L/C Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower who is not, to the knowledge of the Administrative Agent, such L/C Issuer or such Lender, under an obligation of confidentiality to the Borrower with respect to such Information. In addition, the Administrative Agent, the Lenders and the L/C Issuers may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent or any of the Lenders or L/C Issuers in connection with the administration or servicing of this Agreement, the other Loan Documents and the Commitments.

For purposes of this Section, "Information" means all information received from the Company or any Subsidiary relating to the Company or any Subsidiary or any of their respective businesses.

Each of the Administrative Agent, the Lenders and the L/C Issuers acknowledges that (a) the Information may include material non-public information concerning the Company or any 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 United States Federal and state securities Laws.

11.08 Setoff.

If an Event of Default shall have occurred and be continuing, each Lender, each L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, such L/C Issuer or any such Affiliate to or for the credit or the account of the Loan Parties against any and all of the obligations of the Loan Parties now or hereafter existing under this Agreement or any other Loan Document to such Lender or L/C Issuer, irrespective of whether or not such Lender or L/C Issuer shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower may be contingent or unmatured or are owed to a branch or office of such Lender or L/C Issuer different from the branch or office holding such deposit or obligated on such indebtedness; provided, that, in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.15 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders and (y) the Defaulting Lender shall provide promptly to the 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, each 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, such L/C Issuer or their respective Affiliates may have. Each Lender and L/C Issuer agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

11.09 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 the 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 the Borrower. In determining whether the interest contracted for, charged, or received by the 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.

11.10 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 thereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof and thereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof 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 by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement.

11.11 Survival of Representations and Warranties.

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 Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

11.12 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 11.12, 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 the Administrative Agent, the L/C Issuers or the Swing Line Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

11.13 Replacement of Lenders.

If (i) any Lender requests compensation under Section 3.04, (ii) the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, (iii) a Lender (a "Non-Consenting Lender") does not consent to a proposed change, waiver, discharge or termination with respect to any Loan Document that has been approved by the Required Lenders as provided in Section 11.01 but requires the unanimous consent of all Lenders or all Lenders directly affected thereby (as applicable), (iv) any Lender is a Defaulting Lender or a Non-

Accepting Lender, or (v) any Lender delivers a notice pursuant to Section 3.02 (each Lender described in the foregoing clauses (i) through (v), a "Replaced Lender"), then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 11.06), 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) the Borrower shall have paid to the Administrative Agent the assignment fee specified in Section 11.06(b);

(b) such Lender shall have received payment of an amount equal to one hundred percent (100%) of 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 the Borrower (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) such assignment does not conflict with applicable Laws**;** and

(e) in the case of any such assignment resulting from a Non-Consenting Lender's failure to consent to a proposed change, waiver, discharge or termination with respect to any Loan Document, the applicable replacement bank, financial institution or Fund consents to the proposed change, waiver, discharge or termination;

provided that the failure by such Replaced Lender to execute and deliver an Assignment and Assumption shall not impair the validity of the removal of such Replaced Lender and the mandatory assignment of such Replaced Lender's Commitments and outstanding Loans and participations in L/C Obligations and Swing Line Loans pursuant to this Section 11.13 shall nevertheless be effective without the execution by such Replaced Lender of an Assignment and Assumption.

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

11.14 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 (INCLUDING SECTION 5-1401 AND SECTION 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK) WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES THAT WOULD REQUIRE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

(b) SUBMISSION TO JURISDICTION. EACH LOAN PARTY 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 NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING

SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR ANY L/C ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. EACH LOAN PARTY 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 11.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

11.15 Waiver of Right to Trial by Jury.

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.

11.16 Electronic Execution.

The words “execution,” “signed,” “signature”, “delivery” and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby (including without limitation Assignment and Assumptions, amendments or other modifications, Loan Notices, Swing Line Loan Notices, waivers and consents) shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Administrative Agent is under no obligation to agree to accept Electronic Signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it. Without limiting the generality of the foregoing, the Borrower hereby (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders and the Borrower, electronic images of this Agreement (including with respect to any signature pages hereto) shall have the same legal effect, validity and enforceability as any paper original and (ii) waives any argument, defense or right to contest the validity or enforceability of this Agreement based solely on the lack of paper

original copies thereof, including with respect to any signature pages hereto. Upon the reasonable request of the Administrative Agent or any Lender, any Electronic Signature of any party to this Agreement shall, as promptly as practicable, be followed by such manually executed counterpart (which may be by fax or other electronic imaging). For purposes hereof, "Electronic Signature" shall have the meaning assigned to it by 15 USC §7006, as it may be amended from time to time.

11.17 USA PATRIOT Act.

Each Lender that is subject to the USA PATRIOT Act and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Loan Parties that pursuant to the requirements of the USA PATRIOT Act and the Beneficial Ownership Regulation, it is required to (a) obtain, verify and record information that identifies the Loan Parties, which information includes the name and address of the Loan Parties and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Loan Parties in accordance with the USA PATRIOT Act and (b) obtain a certification from the Borrower regarding the beneficial ownership of the Borrower to the extent required by the Beneficial Ownership Regulation. The Loan Parties shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act.

11.18 No Advisory or Fiduciary Relationship.

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), the Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a)(i) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Lenders and the Joint Lead Arrangers, are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Administrative Agent, the Lenders and the Joint Lead Arrangers, on the other hand, (ii) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (b)(i) the Administrative Agent, each Lender and each of the Joint Lead Arrangers each 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 the Borrower or any of Affiliates or any other Person and (ii) neither the Administrative Agent nor any Lender nor any Joint Lead Arranger has any obligation to the Borrower 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; and (c) the Administrative Agent, the Lenders and the Joint Lead Arrangers and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and neither the Administrative Agent nor any Lender nor any Joint Lead Arranger has any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against the Administrative Agent, the Lenders or the Joint Lead Arrangers with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

11.19 Lender ERISA Representation.

(a) Each Lender and each L/C Issuer (x) represents and warrants, as of the Third Amendment and Restatement Effective Date (or, if later, the date that such Lender or L/C Issuer became a Lender or L/C Issuer party hereto), to, and (y) covenants, from the Third Amendment and Restatement Effective Date (or, if later, the date that such Lender or L/C Issuer became a Lender or L/C Issuer party hereto) to the date such Lender or L/C Issuer ceases being a Lender or L/C Issuer party hereto, for the benefit of, the Administrative Agent, the Joint Lead Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Loan Parties, that at least one of the following is and will be true:

(i) such Lender or L/C Issuer is not using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in

connection with entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's or such L/C Issuer's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender or L/C Issuer is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender or L/C Issuer to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender or L/C Issuer, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's or such L/C Issuer's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender or L/C Issuer.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or L/C Issuer or such Lender or L/C Issuer has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender or L/C Issuer further (x) represents and warrants, as of the Third Amendment and Restatement Effective Date (or, if later, the date that such Lender or L/C Issuer became a Lender or L/C Issuer party hereto), to, and (y) covenants, from the Third Amendment and Restatement Effective Date (or, if later, the date that such Lender or L/C Issuer became a Lender or L/C Issuer party hereto) to the date such Lender or L/C Issuer ceases being a Lender or L/C Issuer party hereto, for the benefit of, the Administrative Agent, the Joint Lead Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Loan Parties, that none of the Administrative Agent, the Joint Lead Arrangers or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender or L/C Issuer involved in such Lender's or L/C Issuer's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

11.20 Acknowledgement and Consent to Bail-In of Affected Financial Institutions.

Solely to the extent any Lender or L/C Issuer that is an Affected Financial Institution is a party to this Agreement and notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender or L/C Issuer that is an 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 which may be payable to it by any Lender or L/C Issuer 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.

11.21 Third Amendment and Restatement of Existing Credit Agreement.

Upon the execution and delivery of this Agreement, the Existing Credit Agreement shall be amended and restated to read in its entirety as set forth herein. With effect from and including the Third Amendment and Restatement Effective Date, (i) the Commitments of each Lender party hereto (the "Consenting Lenders") shall be as set forth on Schedule 2.01 (and any Lender under the Existing Credit Agreement that is not listed on Schedule 2.01 shall cease to be a Lender under the Existing Credit Agreement and its commitment under the Existing Credit Agreement shall be terminated), and (ii) the Applicable Percentage of the Consenting Lenders shall be redetermined based on the Commitments set forth in Schedule 2.01 and the participations of the Consenting Lenders in, and the obligations of the Consenting Lenders in respect of, any Swing Line Loans outstanding on the Third Amendment and Restatement Effective Date shall be reallocated to reflect such redetermined Applicable Percentage.

11.22 Acknowledgement Regarding Any Supported QFCs.

To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any swap contract or any other agreement or instrument that is a QFC (such support, "QFC Credit Support", and each such QFC, a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(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. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 11.22, the following terms have the following meanings:

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Covered Entity" means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

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

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

11.23 Permitted Holdco Reorganization.

Notwithstanding anything to the contrary set forth herein, the Borrower may become a Wholly Owned Subsidiary of the Parent by means of a merger of the Borrower with and into a newly organized Wholly Owned Subsidiary of the Parent which shall be organized under the laws of a jurisdiction of the United States (the "Permitted Reorganization Merger Subsidiary"), or another transaction or series of transactions that result in the Borrower becoming a Wholly Owned Subsidiary of the Parent, provided that:

(a) each of the Parent and the Permitted Reorganization Merger Subsidiary shall be newly organized solely for the purpose of engaging in the Permitted Holdco Reorganization and, prior to the consummation of the Permitted Holdco Reorganization, (x) shall not have been engaged in any business activities or conducted any operations other than in connection with or as contemplated by the Permitted Holdco Reorganization and (y) shall not have owned any material assets;

(b) not less than ten (10) Business Days prior to the Holdco Reorganization Effective Date, the Borrower shall have provided notice in writing to the Administrative Agent describing the Permitted Holdco Reorganization (including the identity of the Parent) in detail reasonably satisfactory to the Administrative Agent;

(c) prior to or substantially concurrently with the consummation of the Permitted Holdco Reorganization, (i) the Parent and each Intermediate Holding Company (if any) shall execute and deliver to the Administrative Agent a Joinder Agreement, pursuant to which the Parent and each such Intermediate Holding Company shall unconditionally and irrevocably Guarantee all the Obligations of the Borrower (the "Parent Guarantee") and the Parent shall become party hereto as the Parent, the Company, a Guarantor and a Loan Party, and assume the obligations applicable to it in such capacities, and (ii) the Parent and each such Intermediate Holding Company shall deliver to the Administrative Agent such other documents, certificates and opinions as are required by Sections 6.09(a) or (b), as applicable;

(d) in the event the Borrower is to merge with and into the Permitted Reorganization Merger Subsidiary, the requirements of Section 7.03 with respect to such merger shall have been, or substantially concurrently with the consummation of the Permitted Holdco Reorganization shall be, satisfied; and

(e) no Default or Event of Default shall be continuing on the Holdco Reorganization Effective Date, including giving effect to such Permitted Holdco Reorganization.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BORROWER: LABORATORY CORPORATION OF AMERICA HOLDINGS,
a Delaware corporation

By:_____
Name:
Title:

ADMINISTRATIVE
AGENT: BANK OF AMERICA, N.A.,
as Administrative Agent

By:_____
Name:
Title:

LENDERS: BANK OF AMERICA, N.A.,
as a Lender, Swing Line Lender and L/C Issuer

By:_____
Name:
Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Lender and L/C Issuer

By:_____
Name:
Title:

Exhibit 10.18

Execution Version

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT ("Agreement") is entered into as of the 4th day of January 2023, by and among Laboratory Corporation of America Holdings, a Delaware corporation (the "Company") and Thomas H. Pike, an individual (the "Executive").

WHEREAS, the Company desires to employ the Executive as the President and Chief Executive Officer of the Company's Clinical Development Business Unit and the Executive desires to accept such employment as the President and Chief Executive Officer of the Company's Clinical Development Business Unit;

WHEREAS, the Company and the Executive acknowledge and agree that the Clinical Development Business Unit is contemplated to be spun off to the Company's shareholders through a tax-free transaction consistent with the Company's public announcement dated July 28, 2022 (such transaction, the "Spinoff"), and that, if such Spinoff is completed, this Agreement will be assigned to one or more entities comprising part of such Spinoff ("Spinco"), and that the Executive will, no later than the time of the Spinoff, become the President and Chief Executive Officer, and Chairman of the Board of Directors of Spinco; and

WHEREAS, consistent with Section 15, following the Spinoff and Spinco's assumption of this Agreement, all references herein to the Company shall be deemed as able to be references to Spinco, as applicable unless context dictates otherwise.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereto agree as follows:

1. Employment Agreement. On the terms and conditions set forth in this Agreement, and subject to Section 6 hereof, the Company agrees to employ the Executive and the Executive agrees to be employed by the Company for the Employment Period set forth in Section 2 and in the positions and with the duties set forth in Section 3.

2. Term. The initial term of employment under this Agreement shall be for a period beginning on January 9, 2023 (the "Effective Date") and ending on December 31, 2025 (the "Expiration Date"), unless sooner terminated as hereinafter set forth; provided that, on the Expiration Date and on each annual anniversary thereafter (such date and each annual anniversary thereof, a "Renewal Date"), the Agreement shall be deemed to be automatically extended upon the same terms and conditions (except for such terms and conditions that expire prior to any extension period), for successive periods of one year, unless the Company or the Executive provides written notice of its intention not to extend the term of the Agreement at least 180 days' prior to the applicable Renewal Date. The period during which the Executive is employed by the Company hereunder is hereinafter referred to as the "Term" or the "Employment Period." Any termination of the Executive's employment upon the expiration of the Term following notice by the Company to Executive that the Term shall not be renewed shall constitute a termination by the Company without Cause or constitute Good Reason (each as defined below). For the avoidance of doubt, the Executive's employment shall terminate upon the expiration of the Term following notice by either the Company or the Executive, unless the parties shall at such time otherwise agree in writing.

3. Position and Duties.

(a) Executive Positions. For the period commencing on the Effective Date until the completion of the Spinoff, Executive will be employed as the President and Chief Executive Officer of the Company's Clinical Development Business Unit. In such capacities, the Executive shall report to the Company's Chief Executive Officer and perform the reasonable and lawful duties and responsibilities as the Company's Chief Executive Officer may from time to time determine to assign to the Executive, consistent with his position and experience, which shall include the management and oversight of the Clinical Development Business Unit. In such role, Executive will have substantial involvement in the circumstances and terms of the Spinoff, including but not limited to substantial involvement in strategic operational decision making, selection of a senior leadership team and participation in the interview and selection of future members of the Spinco Board of Directors (the "Spinco Board"), provided that all decision making prior to the Spinoff is subject to approval of the Company's Chief Executive Officer. Subject to the completion of the Spinoff, this Agreement, all of the obligations hereunder, and Executive's employment will be assigned to Spinco, effective upon completion of the Spinoff. Immediately upon completion of the Spinoff and Spinco's assumption of this Agreement, Executive will serve as Chairman of the Spinco Board and President and Chief Executive Officer of Spinco. In such capacities, the Executive shall report to the Spinco Board and perform the reasonable and lawful duties and responsibilities, consistent with his position and experience, as the Spinco Board may from time to time determine to assign to the Executive.

(b) Location. During the Employment Period, the Executive's primary office location shall be in Maricopa County, Arizona. Executive hereby represents that he has a dedicated space in his personal residence that will be used for the performance of his duties hereunder.

(c) The Executive's employment shall be subject to the policies maintained and established by the Company, as the same may be amended from time to time. The Executive acknowledges and agrees that the Executive owes a fiduciary duty of loyalty, fidelity and allegiance to act at all times in the best interests of the Company and to do no act that would intentionally injure the business, interests, or reputation of the Company or its subsidiaries and affiliates. In keeping with these duties, the Executive shall make full disclosure to the Board of Directors of the Company (the "Board") of all business opportunities pertaining to the business of the Company and shall not appropriate for the Executive's own benefit business opportunities that fall within the scope of the businesses conducted by the Company. The Executive shall also devote the Executive's reasonable best efforts and full business time to the performance of the Executive's duties hereunder and the advancement of the business and affairs of the Company. Subject to the prior written approval of the Board, the Executive may serve on boards of directors of other publicly traded and private companies. The Executive has previously disclosed to the Board, and the Board hereby approves, those boards of directors on which he serves as of the date of this Agreement.

(d) Subject to and contingent upon the completion of the Spingoff and the assumption of this Agreement, the Board will cause the Executive to be appointed to the Spinco Board and the Executive will serve as its Chairman immediately upon completion of the Spinoff. The Executive will serve in this capacity without additional compensation, and in advance of the expiration of each term as a director, in due course, and, subject to the annual approval of the applicable nominating committee of the Spinco Board in accordance with its duties and responsibilities, shall be nominated for re-election to the Spinco Board so long as he is then serving as Chief Executive Officer of Spinco and is eligible to be a member of the Spinco Board under applicable law or rules of the national securities exchange on which Spinco's common stock is then listed, if any. The Executive's continued membership on the

Spinco Board shall be subject to election in accordance with the by-laws of Spinco and applicable law, and shall not be considered a condition to Executive's performance of his obligations hereunder, nor shall failure to be elected to the Spinco Board be considered a diminution of Executive's duties or responsibilities, pursuant to the Good Reason definition set forth in Section 6(a)(y)(iii) below, provided Executive has been nominated for re-election to the Spinco Board. The Executive also agrees to serve without additional compensation, if elected or appointed thereto, as a director or member of any of the Company's or Spinco's subsidiaries or affiliates and in one or more executive offices of any of the Company's or Spinco's subsidiaries or affiliates.

(e) Executive acknowledges that Executive shall be subject to and must comply with the Company's policy with respect to ownership of Company common stock as it may be in effect from time to time.

4. Compensation and Benefits.

(a) Base Salary. Commencing on the Effective Date, the Company shall pay to the Executive a base salary at the initial rate of $1,100,000 per calendar year (the "Base Salary"), prorated for any partial year of employment. The Base Salary shall be reviewed for increase by the compensation committee of the Board (the "Compensation Committee") no less frequently than annually during the customary annual review period for other senior executives and may be increased in the discretion of the Compensation Committee. Any such increase in Base Salary shall constitute the "Base Salary" for purposes of this Agreement. The Base Salary shall be paid in substantially equal installments in accordance with the Company's regular payroll procedures and policies in effect from time to time. The Executive's Base Salary may not be decreased during the Employment Period other than pursuant to a like proportionate reduction of base salaries of other senior executives of the Company.

(b) Equity Grants.

(i) Sign-On Equity Grant. Following the Effective Date, the Executive shall be granted equity awards under the Company's 2016 Omnibus Incentive Plan, as amended (the "Omnibus Plan") with an aggregate grant date fair value of approximately $4,000,000 (subject to rounding), consistent with the Company's practice for determining such value (the "Sign-On Equity Grant"). The Sign-On Equity Grant will be comprised of time-vesting restricted stock units, which are eligible to vest and be settled in shares of common stock of the Company in substantially equal installments on each of the first through third anniversaries of the date of grant and will be subject to an adjustment provision where any unvested portion of such Sign-On Equity Grant may, in connection with the Spinoff, be converted into Spinco equity awards and assumed by Spinco (or otherwise equitably adjusted under the terms of the Omnibus Plan). The Sign-On Equity Grant shall be subject to the terms and conditions of the Omnibus Plan and substantially the form of award agreement attached hereto as Exhibit 1.

(ii) Delayed Equity Grant. If by July 3, 2023, the Spinoff has not been completed but the Board has not made a determination not to complete the Spinoff, the Executive will receive an additional one-time equity award under the Omnibus Plan with an aggregate grant date fair value of approximately $4,000,000 (subject to rounding), consistent with the Company's practice for determining such value (the "Delayed Equity Grant"). The Delayed Equity Grant will be comprised of time-vesting restricted stock units, which are eligible to vest and be settled in shares of common stock of the Company in substantially equal installments on each of the first through third anniversaries of the date of grant and may be subject to an adjustment provision where any unvested portion of such Delayed Equity Grant

will, upon completion of the Spinoff, be converted into Spinco equity awards and assumed by Spinco (or otherwise equitably adjusted under the terms of the Omnibus Plan). The Delayed Equity Grant shall be subject to the terms and conditions of the Omnibus Plan and a form of award agreement that will be substantially in the form attached as Exhibit 1, subject to such changes as the Company makes to its regular grant agreements for other senior executives of the Company.

(iii) Spinco Equity Grants. Following completion of the Spinoff and subject to approval of the Spinco Board or the applicable committee thereof, Executive shall receive one or more equity awards of Spinco equity with an aggregate grant date fair value of approximately $20,000,000 (subject to rounding), consistent with Spinco's practice for determining such value (the "Initial Spinco Equity Grant"), comprised of 30% in restricted stock units and 70% in stock options which will have a maximum term of ten (10) years, which, in the case of both restricted stock units and stock options will be eligible to vest and be settled in (or, with respect to stock options, exercised for) shares of common stock of Spinco as follows: (i) if the Spinoff occurs on or before December 31, 2023, in substantially equal installments on each of the first through third anniversaries of the date of grant, (ii) if the Spinoff occurs at any time during 2024, in substantially equal installments on each of January 1, 2025, January 1, 2026 and January 1, 2027 or (iii) pursuant to any other vesting schedule established by the Spinco Board in its unfettered discretion so long as all shares vest within 3 years of the grant date. The Initial Spinco Equity Grant shall be subject to the terms and conditions of the Spinco equity incentive plan (the "Spinco Omnibus Plan") and form of award agreement. Equity awards following the completion of the Spinoff will be determined by the Spinco Board or the applicable committee thereof, provided that the first Spinco equity award following the expiration of the Initial Term will have an aggregate target grant date fair value of approximately $8,000,000 (subject to rounding). Notwithstanding the foregoing, in the event that Executive receives a Delayed Equity Grant, then the amount of the Initial Spinco Equity Grant will be reduced by the grant date fair value of the Delayed Equity Grant. In other words, if Executive receives a Delayed Equity Grant of $4,000,000, the $20,000,000 grant date fair value of the Initial Spinco Equity Grant will be reduced by $4,000,000 to equal approximately $16,000,000 (subject to rounding).

(iv) Equity Grants During Initial Term. For the avoidance of doubt, other than the Sign-On Equity Grant, the Delayed Equity and the Initial Spinco Equity Grant, no other equity grants of either the Company or Spinco equity will be made during the Initial Term.

(c) Annual Bonus. For each calendar year that ends during the Employment Period beginning with calendar year 2023, the Executive shall be eligible to receive an annual bonus pursuant to the Company's management incentive bonus plan or any successor plan that is in effect from time to time (any such bonus, the "Incentive Bonus"). The Executive's target Incentive Bonus amount for a particular calendar year of the Company shall equal one hundred and fifty percent (150%) of the Executive's Base Salary for that calendar year (the "Target Bonus Amount"); provided that the Executive's actual Incentive Bonus payout for a particular calendar year shall be determined by the Compensation Committee in its sole and unfettered discretion taking into account performance objectives (which may include corporate and individual objectives initially established with respect to a particular calendar year by the Compensation Committee in consultation with Executive and, in connection with the Spinoff, converted or paid-out on the same basis as similar awards held by Spinco senior executives who participate in the Company's management incentive bonus plan or its successor,) and may be more or less than the Target Bonus Amount. For the calendar year 2023, the Executive's Target Bonus Amount shall be pro-rated (calculated as the Target Bonus Amount for the entire 2023 calendar year multiplied by a fraction the numerator of which is equal to the number of days the Executive was employed as an employee in the 2023 calendar year and the denominator of which is 365). The Target Bonus Amount shall be reviewed for increase by the Compensation

Committee no less frequently than annually during the customary annual review period for other senior executives and may be increased in the discretion of the Compensation Committee. Any such increase in the Target Bonus Amount shall constitute the "Target Bonus Amount" for purposes of this Agreement. Notwithstanding the foregoing, for calendar year 2023, Executive's Incentive Bonus payout shall be no less than 100% of Executive's Base Salary, provided that such 2023 Incentive Bonus payout shall be subject to proration, consistent with Section 7(e) if Executive is terminated by the Company without Cause or if Executive terminates employment for Good Reason during 2023. Except as otherwise set forth herein, the Executive must be actively employed by the Company throughout the applicable bonus measurement period and shall not have given notice of termination (other than for Good Reason (as set forth below), or been given notice by the Company of the termination of this Agreement for Cause (as set forth below) where such breach giving rise to Cause or Good Reason is not cured, at any time during the applicable bonus measurement period to be eligible to receive the Incentive Bonus.

(d) Employee Benefits. During the Employment Period, the Executive shall be entitled to participate in all employee benefit plans, practices and programs maintained by the Company, as in effect from time to time, that are generally made available to senior executives of the Company, provided that Executive will not participate in the Labcorp Master Senior Executive Severance Plan or any similar such Spinco severance plan, if established. The Company reserves the right to amend, modify or cancel any employee benefit plans, practices and programs, and any fringe benefits and perquisites, as applicable to executives of the Company generally, at any time and without the consent of the Executive.

(e) Company Compensation Plans. Except as otherwise provided herein, all compensation provided to the Executive pursuant to this Section 4 shall be in accordance with the Company's compensation plans and policies.

(f) Clawback/Recoupment. Notwithstanding any other provisions in this Agreement to the contrary, any incentive-based compensation, including the Incentive Bonus, the Sign-On Equity Grant and the Delayed Equity Grant, or any other compensation, paid to the Executive pursuant to this Agreement or any other agreement or arrangement with the Company shall be subject to the terms of the Company's Incentive Compensation Recoupment Policy, as separately provided to Executive, and as the same may be amended from time to time or replaced by any successor Company policy, including to implement Section 10D of the Securities Exchange Act of 1934, as amended and any applicable rules or regulations promulgated thereunder (including applicable rules and regulations of any applicable national securities exchange).Except as otherwise provided herein, all compensation provided to the Executive pursuant to this Section 4 shall be in accordance with the Company's compensation plans and policies

5. Expenses. The Company shall reimburse the Executive for all expenses reasonably and actually incurred in accordance with policies which may be adopted from time to time by the Company promptly upon periodic presentation by the Executive of an itemized account, including reasonable substantiation, of such expenses.

6. Termination of Employment.

(a) Permitted Terminations. (x) This Agreement may be terminated by the Company prior to the Effective Date under the following circumstances: (i) the Executive's death or Disability (as defined below), (ii) if an event that would constitute Cause, as defined below, had the Executive then been employed by the Company occurs, whether or not the Executive is then employed by the Company, or (iii) by the Company for any other reason. (y) The

Executive's employment hereunder may be terminated during the Employment Period under the following circumstances:

(i) Death. The Executive's employment hereunder shall terminate upon the Executive's death.

(ii) By the Company.

(A) Disability. The Company may terminate the Executive's employment if the Executive is unable to perform each of the essential duties of his position by reason of a medically determinable physical or mental impairment which is potentially permanent in character or which can be expected to last for a continuous period of not less than twelve (12) months (a "Disability"); or

(B) Cause. The Company may terminate the Executive's employment for Cause or without Cause. If the Company terminates the Executive's employment without Cause, the Company shall not be required to give advance notice.

For purposes of this Agreement (including the Sign-On Equity Grant and Delayed Equity Grant), "Cause" shall be limited to the following events: (i) an intentional act of fraud, embezzlement, theft, or any other material violation of law in connection with Executive's duties or in the course of his employment with the Company: (ii) Executive's conviction of or entering of a plea of nolo contendere to a felony; (iii) Executive's alcohol intoxication on the job or current illegal drug use; (iv) Executive's intentional wrongful damage to tangible assets of the Company; (v) Executive's intentional wrongful disclosure of material confidential information of the Company and/or material breach of the provisions of the Company's Confidentiality/Non-Competition/Non-Solicitation Agreement or any other noncompetition or confidentiality provisions covering the activities of Executive; (vi) Executive's knowing and intentional breach of any employment policy of the Company; (vii) gross neglect or gross misconduct, disloyalty, dishonesty, or breach of trust in the performance of the Executive's duties that is not corrected to the Board's satisfaction within 30 days of the Executive receiving notice thereof; or (viii) Executive's misconduct that causes reputational harm to the Company.

(iii) By the Executive. The Executive may terminate this Agreement for any reason prior to the Effective Date, and may terminate his employment for any reason (including Good Reason) or for no reason during the Employment Period. If the Executive terminates his employment without Good Reason, then he shall provide written notice to the Company at least thirty (30) days prior to the Date of Termination, provided that the Company may, in its sole discretion, waive the provision of all or any portion of the notice period and immediately terminate the Executive, which termination shall not be deemed a termination without Cause or constitute grounds for termination for Good Reason.

For purposes of this Agreement (including the Sign-On Equity Grant and Delayed Equity Grant), "Good Reason" means, without the Executive's prior written consent (i) a material reduction in the Executive's Base Salary or any reduction of the Target Bonus Amount; (ii) relocation to an office location more than 75 miles from either the Executive's principal office location or his principal residence as of the date of notice of relocation; (iii) the Board shall fail to appoint the Executive as Chairman of the Spinco Board upon completion of the Spinoff; (iv) the Spinco Board shall fail to re-nominate the Executive for re-election to the Spinco Board; or (v) a material diminution in title, duties, or responsibilities, including reporting responsibilities, of the Executive in his capacity as an employee (for which purpose such a material diminution shall be deemed to occur in the event of a Change in Control (as defined in the Omnibus Plan) in which Spinco ceases to be a publicly traded company, except in the case that the Executive is the most senior officer and a member of the board of directors of the top-most publicly traded parent company of which Spinco is a subsidiary resulting from such Change in Control).

Notwithstanding the foregoing, "Good Reason" shall not include a reduction in Base Salary where such reduction is pursuant to a like proportionate reduction of base salaries of other senior executives of the Company. Further, for the avoidance of doubt, "Good Reason" shall not include (i) Executive's failure to be re-elected to the Spinco Board by the Spinco shareholders provided the Spinco Board nominates him for re-election to the Spinco Board; (ii) Executive's ceasing to serve as the Chairman of the Spinco Board following his initial appointment as the Chairman; or (iii) any determination made by the Board in good faith that Executive's residence is not properly treated as his principal place of business for tax purposes and any resulting change in tax consequences to Executive resulting from such determination. In order to invoke a termination for Good Reason, the Executive's termination must occur within 90 days after the occurrence of the Good Reason and after the Company has received notice of the Good Reason event and failed to cure within 30 days after receiving such notice. Otherwise, such termination shall be considered voluntary termination without Good Reason.

For purposes of this Agreement, "Date of Termination" means (i) if this Agreement or Executive's employment is terminated due to the Executive's death, the date of the Executive's death; (ii) if this Agreement or Executive's employment is terminated because of the Executive's Disability, 30 days after Notice of Termination is given by the Company; or (iii) if the Executive's employment is terminated by the Company for any other reason or by the Executive pursuant to Section 6(a)(y)(iii), the date specified in the Notice of Termination. Notwithstanding any provision of this Agreement to the contrary, for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment that are considered deferred compensation under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and the Treasury Regulations thereunder (collectively, "Section 409A"), references to Executive's termination of employment (and corollary terms) with the Company shall be construed to refer to Executive's "separation from service" (within the meaning of Treas. Reg. Section 1.409A-1(h)) with the Company.

(b) Termination. Any termination of this Agreement prior to the Effective Date or of Executive's employment by the Company or the Executive (other than because of the Executive's death) shall be communicated by a written Notice of Termination to the other party hereto in accordance with the requirements of this Agreement. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon, if any, and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated. Termination of the Executive's employment shall take effect on the Date of Termination. The Executive agrees, in the event of any dispute as to whether a Disability exists, and if requested by the Company, to submit to a physical examination by a licensed physician selected by mutual consent of the Company and the Executive, the cost of such examination to be paid by the Company. The written medical opinion of such physician shall be conclusive and binding upon each of the parties hereto as to whether a Disability exists and the date when such Disability arose. This Section shall be interpreted and applied so as to comply with the provisions of the Americans with Disabilities Act (to the extent applicable) and any applicable state or local laws.

(c) Resignation of All Other Positions. Upon termination of the Executive's employment for any reason, the Executive shall, unless otherwise requested, resign from all positions that the Executive holds as an officer or member of the Spinco Board (or a committee thereof) and as an officer or member of the board of directors (or a committee thereof) of any Company subsidiaries or affiliates.

7. Compensation Upon Termination.

(a) Death. If this Agreement or the Executive's employment is terminated as a result of the Executive's death, this Agreement and the Employment Period shall terminate without further notice or any action required by the Company or the Executive's legal representatives. If the Date of Termination is after the Effective Date, within 30 days following the Executive's death, the Company shall pay to the Executive's legal representative or estate, as applicable, (i) the Executive's Base Salary and accrued unused vacation due through the Date of Termination; (ii) all Accrued Benefits, if any, to which the Executive is entitled as of the Date of Termination at the time such payments are due; (iii) payment of any Incentive Bonus earned for a prior completed performance period and unpaid on the Date of Termination; and (iv) a Partial Year Bonus (defined below) in the manner provided in Section 7(e) (such amounts in clauses (i) through (iv), the "Accrued Amounts"). The rights of the Executive's legal representative or estate, as applicable, with respect to the Executive's equity or equity-related awards shall be governed by the applicable terms of the related plan or award agreement. Except as set forth herein, the Company and the Company's subsidiaries and affiliates shall have no further obligation to the Executive or his legal representatives, estate or heirs upon his death under this Agreement. For purposes of this Agreement, "Accrued Benefits" means (w) any compensation deferred by the Executive prior to the Date of Termination and not paid by the Company or otherwise specifically addressed by this Agreement; (x) any amounts or benefits owing to the Executive or to the Executive's beneficiaries under the then applicable benefit plans of the Company; (y) any amounts owing to the Executive for reimbursement of expenses properly incurred by the Executive through the Date of Termination and which are reimbursable in accordance with Section 5; and (z) any other benefits or amounts due and owing to the Executive under the terms of any plan, program or arrangement of the Company.

(b) Disability. If the Company terminates this Agreement prior to the Effective Date because of the Executive's Disability, the Company shall have no further obligations to the Executive under this Agreement upon such termination. If the Company terminates the Executive's employment during the Employment Period because of the Executive's Disability pursuant to Section 6(a)(y)(ii)(A), the Company shall pay to the Executive the Accrued Amounts. The rights of the Executive with respect to the Executive's equity or equity-related awards shall be governed by the applicable terms of the related plan or award agreement. Except as set forth herein, the Company shall have no further obligations to the Executive under this Agreement upon Executive's termination due to Disability pursuant to Section 6(a)(y)(ii)(A).

(c) Termination by the Company for Cause or by the Executive without Good Reason. If prior to the Effective Date, either the Company terminates this Agreement pursuant to Section 6(a)(x)(ii) or the Executive terminates this Agreement pursuant to Section 6(a)(y)(iii), the Company shall have no further obligations to the Executive under this Agreement upon such termination. If during the Employment Period the Company terminates the Executive's employment for Cause pursuant to Section 6(a)(y)(ii)(B) or the Executive terminates his employment without Good Reason pursuant to Section 6(a)(y)(iii), the Company shall pay to the Executive the Executive's Base Salary and accrued unused vacation due through the Date of Termination and all Accrued Benefits, if any, to which the Executive is entitled as of the Date of Termination, at the time such payments are due, and the Executive's rights with respect to then vested or exercisable equity or equity-related awards shall be governed by the applicable terms of the related plan or award agreements. Except as set forth herein, the Company shall have no further obligations to the Executive under this Agreement upon such termination.

(d) Termination by the Company without Cause, by the Executive with Good Reason, or termination following notice by the Company of non-renewal of the Term, in each case, prior to Spinoff. If prior to the Effective Date the Company terminates this Agreement

pursuant to Section 6(a)(x)(iii) or during the Employment Period but prior to completion of the Spinoff the Company terminates the Executive's employment other than for Cause pursuant to Section 6(a)(y)(ii)(B), the Executive terminates his employment with Good Reason pursuant to Section 6(a)(y)(iii), or the Executive's employment terminates upon the expiration of the Term following a notice by the Company to not renew the Term pursuant to Section 2, the Company shall pay to the Executive (w) the Executive's Base Salary and accrued unused vacation due through the Date of Termination; (x) all Accrued Benefits, if any, to which the Executive is entitled as of the Date of Termination, in each case at the time such payments are due; (y) payment of any Incentive Bonus earned for a previous completed performance period and unpaid on the Date of Termination; and (z) subject to Executive's execution of the Labcorp Release Agreement, as defined below, a Partial Year Bonus, as defined below.

(e) Termination by Spinco without Cause, by the Executive with Good Reason, or termination following notice by Spinco of non-renewal of the Term, in each case, following Spinoff. If during the Employment Period and following completion of the Spinoff, Spinco terminates the Executive's employment other than for Cause pursuant to Section 6(a)(y)(ii)(B), the Executive terminates his employment with Good Reason pursuant to Section 6(a)(y)(iii), or the Executive's employment terminates upon the expiration of the Term following a notice by Spinco to not renew the Term pursuant to Section 2 (each, a "Qualifying Termination"), Spinco shall pay to the Executive (x) the Executive's Base Salary and accrued unused vacation due through the Date of Termination; (y) all Accrued Benefits, if any, to which the Executive is entitled as of the Date of Termination, in each case at the time such payments are due; and (z) payment of any Incentive Bonus earned for a previous completed performance period and unpaid on the Date of Termination. The Executive shall also be entitled to receive, subject to his execution of a Spinco Release Agreement (as defined below), the following severance benefits (collectively, the "Severance Benefits"):

(i) an amount equal to the product of (A) two (2), if the Qualifying Termination is not within thirty-six months following a Change in Control of Spinco, as such term is defined in the Spinco Omnibus Plan, or (B) three (3), if the Qualifying Termination is within thirty-six months following a Change in Control of Spinco, multiplied by the sum of (1) Executive's Base Salary plus (2) the total dollar amount of the last three Incentive Bonuses paid to the Executive divided by three (the "Average Incentive Bonus"); provided, however, that if the Executive has received less than three Incentive Bonus payments during the term of the Executive's employment, then the Average Incentive Bonus shall equal the total dollar amount of Incentive Bonuses paid to the Executive divided by the number of Incentive Bonuses received by the Executive; provided, further, however, that any prorated bonuses Executive has received will be annualized for purposes of this Section (by dividing the amount of the Incentive Bonus by the proration factor that was applied to determine such Incentive Bonus under Section 4(c)) and that if a Qualifying Termination occurs prior to the payment of any Incentive Bonus under this Agreement, the Average Incentive Bonus shall be deemed to be the Target Bonus Amount (the amount determined pursuant to this subparagraph (i), the "Cash Severance Benefits"); and

(ii) a Partial Year Bonus, as defined below.

For the avoidance of doubt, if during the Employment Period and following completion of the Spinoff, Spinco terminates the Executive's employment other than for Cause pursuant to Section 6(a)(y)(ii)(B) or the Executive terminates his employment with Good Reason pursuant to Section 6(a)(y)(iii) and, in either case, Executive continues as a member of the Spinco Board, Executive will be entitled to payment of the Severance Benefits set forth above.

Spinco shall pay the Executive the Cash Severance Benefits to which he is entitled under this Section 7(e) as follows: (a) 50 percent of the total Cash Severance Benefits due, less statutory deductions, shall be paid within 30 days following the execution of the Spinco Release Agreement, but in no event shall be paid later than March 15 of the year following the year in which the Termination Date occurred; and (b) the remaining 50 percent of the total Cash Severance Benefits, less statutory deductions, shall be paid within 30 days following the one-year anniversary of the execution of the Spinco Release Agreement, but only if the Executive has complied in all material respects with the terms and conditions of the Spinco Release Agreement.

A "Partial Year Bonus" is payable to the Executive for the year of the Executive's employment termination in the event the Company or Spinco, as applicable, performance criteria for payment of an Incentive Bonus are achieved as of the close of the year based on the actual performance level achieved for such year (as determined (x) treating any individual factors as fully satisfied and (y) without regard for any exercise of negative discretion unless such exercise is applicable to all similarly situated executives with like force and effect); provided, however, that if a Qualifying Termination occurs after a Change in Control, the performance criteria shall be deemed satisfied at the target level. Any such Partial Year Bonus shall equal the Executive's Incentive Bonus compensation so earned multiplied by a fraction, the numerator of which is the number of days the Executive was employed by the Company in the annual or other performance period for the Incentive Bonus award in which such termination occurs and the denominator of which is the total number of days included within such annual or partial year performance period. Should any such Partial Year Bonus become payable under this Agreement, payment shall be made to the Executive at the same time as payment is made to all other participants under the Incentive Bonus compensation program following the close of the year.

(f) Executive's voluntary resignation following July 3, 2024. If the Spinoff has not been completed by July 3, 2024 and Executive desires to terminate his employment on or after July 3, 2024, Executive and the Board, or its designee, shall negotiate reasonably and in good faith over the terms of Executive's severance benefits aligned with the spirit and principles of this Agreement.

(g) The Executive's rights with respect to equity or equity-related awards (including as provided above for the Sign-On Equity Grant, the Delayed Equity Grant and the Initial Spinco Equity Grant) shall be governed by the applicable terms of the related plan or award agreements.

(h) Liquidated Damages. The parties acknowledge and agree that damages that will result to the Executive for termination by the Company of this Agreement under Section 6(a)(x)(iii) or the Executive's employment without Cause under Section 6(a)(y)(ii)(B) or by the Executive for Good Reason under Section 6(a)(y)(iii) shall be extremely difficult or impossible to establish or prove, and agree that the payments set forth in Section 7(d) or Section 7(e), as applicable, shall constitute liquidated damages for any such termination. The Executive agrees that, except for such other payments and benefits to which the Executive may be entitled as expressly provided by the terms of this Agreement or any other applicable benefit plan, such liquidated damages shall be in lieu of all other claims that the Executive may make by reason of any such termination of his employment and that, as a condition to receiving the payments set forth in Section 7(d), the Executive will execute a release of claims in substantially the form attached as Exhibit 2-A (the "Labcorp Release Agreement") and that, as a condition to receiving the payments set forth in Section 7(e), the Executive will execute a release of claims in substantially the form attached as Exhibit 2-B (the "Spinco Release Agreement") (the Labcorp Release Agreement and the Spinco Release Agreement, as applicable, the "Release Agreement"). Within five business days of the Date of Termination, the Company shall deliver to the

Executive the applicable Release Agreement for the Executive to execute. The Executive will forfeit all rights to the payments set forth in Section 7(d) or Section 7(e), as applicable, unless, within 30 days of delivery of the Release Agreement by the Company to the Executive, the Executive executes and delivers the Release Agreement to the Company and the releases contained therein have become irrevocable by virtue of the expiration of the revocation period without the release having been revoked (the first such date, the "Release Effective Date"). In the event that the Release Effective Date could occur in one of two taxable years of the Executive, the Release Effective Date shall be deemed to occur in the earliest date in the later such taxable year as otherwise would apply thereunder. The Company and Company subsidiaries and affiliates shall have no obligation to provide the payments set forth in Section 7(d) or Section 7(e), as applicable, prior to the Release Effective Date.

(i) Section 409A. To the extent the Executive would be subject to the additional 20% tax imposed on certain deferred compensation arrangements pursuant to Section 409A as a result of any provision of this Agreement, such provision shall be deemed amended to the minimum extent necessary to avoid application of such tax and preserve to the maximum extent possible the original intent and economic benefit to the Executive and the Company, and the parties shall promptly execute any amendment reasonably necessary to implement this Section 7(i).

(i) For purposes of Section 409A, the Executive's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments.

(ii) The Executive will be deemed to have a Date of Termination for purposes of determining the timing of any payments or benefits hereunder that are classified as deferred compensation only upon a "separation from service" within the meaning of Section 409A.

(iii) Notwithstanding any other provision of this Agreement to the contrary, if at the time of the Executive's separation from service, (i) the Executive is a specified employee (within the meaning of Section 409A and using the identification methodology selected by the Company from time to time), and (ii) the Company makes a good faith determination that an amount payable on account of such separation from service to the Executive constitutes deferred compensation (within the meaning of Section 409A) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A in order to avoid taxes or penalties under Section 409A (the "Delay Period"), then the Company will not pay such amount on the otherwise scheduled payment date but will instead pay it in a lump sum on the first business day after such six-month period (or upon the Executive's death, if earlier), together with interest for the period of delay, compounded annually, equal to the prime rate (as published in the Wall Street Journal) in effect as of the dates the payments should otherwise have been provided. To the extent that any benefits to be provided during the Delay Period are considered deferred compensation under Section 409A provided on account of a "separation from service," and such benefits are not otherwise exempt from Section 409A, the Executive shall pay the cost of such benefit during the Delay Period, and the Company shall reimburse the Executive, to the extent that such costs would otherwise have been paid by the Company or to the extent that such benefits would otherwise have been provided by the Company at no cost to the Executive, the Company's share of the cost of such benefits upon expiration of the Delay Period, and any remaining benefits shall be reimbursed or provided by the Company in accordance with the procedures specified herein.

(iv) (A) Any amount that the Executive is entitled to be reimbursed under this Agreement will be reimbursed to the Executive as promptly as practical

and in any event not later than the last day of the calendar year after the calendar year in which the expenses are incurred, (B) any right to reimbursement or in kind benefits will not be subject to liquidation or exchange for another benefit, and (C) the amount of the expenses eligible for reimbursement during any taxable year will not affect the amount of expenses eligible for reimbursement in any other taxable year.

(v) Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment shall be made within thirty (30) days following the date of termination"), the actual date of payment within the specified period shall be within the sole discretion of the Company.

8. Confidentiality, Non-Competition and Non-Solicitation Agreement. In consideration of the employment and compensation terms set forth in this Agreement, the Executive agrees to execute and be bound by the terms of the Company's Confidentiality, Non-Competition and Non-Solicitation Agreement attached as Exhibit 3.

9. Parachute Limitations. Notwithstanding anything herein to the contrary, in the event that the payments or distributions to be made by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement, under some other plan, agreement, or arrangement, or otherwise) (a "Payment") constitute "parachute payments" within the meaning of Section 280G of the Code, then the Payment to the Executive shall be reduced to $1 below the safe harbor limit (as described in Section 280G(b)(2)(A)(ii) of the Code) if said reduction in Payment would result in the Executive retaining a larger amount, on an after-tax basis, taking into account the excise and income taxes imposed on the payments and benefits.

10. Indemnification. The Company shall indemnify the Executive to the maximum extent that its officers, directors and employees are entitled to indemnification pursuant to the Company's certificate of incorporation, bylaws, and any indemnification agreements then in force, subject to applicable law. The Executive shall also be covered as an insured under any contract of directors and officers liability insurance to the same extent as such contract covers members of the Board. The Executive's rights under this Section 10 shall survive any termination or expiration of this Agreement and any termination of the Executive's employment for all periods thereafter during which the Executive may be subject to liability for any acts or omissions occurring during his employment or service as a member of the Board that is otherwise subject to indemnification and coverage under directors and officers liability insurance.

11. Professional Fees Incurred in Negotiating the Agreement. The Company shall pay or the Executive shall be reimbursed for the Executive's reasonable professional fees and costs incurred in connection with this Agreement up to a maximum of $35,000. Any payment required under this Section 11 shall be made within sixty (60) days following the Effective Date.

12. Notices. All notices, demands, requests, or other communications which may be or are required to be given or made by any party to any other party pursuant to this Agreement shall be in writing and shall be hand delivered, mailed by first-class registered or certified mail, return receipt requested, postage prepaid, delivered by overnight air courier, addressed as follows:

(i) If to the Company:

Laboratory Corporation of America Holdings
358 South Main Street

Burlington, North Carolina 27215
Attention: Sandra van der Vaart,
Executive Vice President, Chief Legal Officer

and

Hogan Lovells US LLP
100 International Drive, Suite 2000
Baltimore, Maryland 21202
Attention: William Intner

(ii) If to the Executive:

At the last address shown on the payroll records of the Company

Each party may designate by notice in writing a new address to which any notice, demand, request or communication may thereafter be so given, served or sent. Each notice, demand, request, or communication that shall be given or made in the manner described above shall be deemed sufficiently given or made for all purposes at such time as it is delivered to the addressee (with the return receipt, the delivery receipt, confirmation of facsimile transmission or the affidavit of messenger being deemed conclusive but not exclusive evidence of such delivery) or at such time as delivery is refused by the addressee upon presentation.

13. Severability. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the other provisions of this Agreement, which shall remain in full force and effect.

14. Effect on Other Agreements; Inconsistency. This Agreement (including the Exhibits hereto) and all other agreements identified hereunder constitute the entire agreement between the parties respecting the employment of the Executive and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter. In the event of any inconsistency between this Agreement (and Exhibits) and any other plan, program, practice or agreement of the Company in which the Executive is a participant or a party, whether applicable on the Effective Date or at any time thereafter, this Agreement (and Exhibits) shall control unless, with the Executive's prior written consent, such other plan, program or practice, or in such agreement with the Executive, specifically refers to this Agreement (or Exhibits) as not so controlling.

15. Assignment. The rights and obligations of the parties to this Agreement shall not be assignable or delegable, except that (i) the Company shall assign its rights and obligations hereunder to Spinco in connection with the Spinoff, (ii) in the event of the Executive's death, the personal representative or legatees or distributees of the Executive's estate, as the case may be, shall have the right to receive any amount owing and unpaid to the Executive hereunder, and (iii) the rights and obligations of the Company hereunder shall be assignable and may be assumed by a successor entity in connection with (a) any subsequent merger, consolidation, sale of all or substantially all of the assets or equity interests of the Company or similar transaction involving the Company or a successor entity or (b) the formation of a holding company or similar corporate reorganization approved by the Board. If the Company's rights and obligations are assigned or assumed as provided in the preceding sentence, the term "Company" as used herein shall refer to such successor entity, including, following the Spinoff, to Spinco. Executive acknowledges and agrees that the assignment of this Agreement to Spinco does not create any termination "without Cause" or "Good Reason" rights, or any right to payments or benefits from the Company by virtue of such assignment.

16. Binding Effect. Subject to any provisions hereof restricting assignment, this Agreement shall be binding upon the parties hereto and shall inure to the benefit of the parties and their respective heirs, devisees, executors, administrators, legal representatives and permitted successors and assigns.

17. Amendment; Waiver. This Agreement shall not be amended, altered or modified except by an instrument in writing duly executed by the party against whom enforcement is sought. Neither the waiver by either of the parties hereto of a breach of or a default under any of the provisions of this Agreement, nor the failure of either of the parties, on one or more occasions, to enforce any of the provisions of this Agreement or to exercise any right or privilege hereunder, shall thereafter be construed as a waiver of any subsequent breach or default of a similar nature, or as a waiver of any such provisions, rights or privileges hereunder.

18. Headings. Section and subsection headings contained in this Agreement are inserted for convenience of reference only, shall not be deemed to be a part of this Agreement for any purpose, and shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof.

19. Governing Law: Jurisdiction and Venue. This Agreement, for all purposes, shall be construed in accordance with the laws of Delaware without regard to conflicts of law principles. Any action or proceeding by either of the parties to enforce this Agreement shall be brought only in a state or federal court located in the state of Delaware. The parties hereby irrevocably submit to the exclusive jurisdiction of such courts and waive the defense of inconvenient forum to the maintenance of any such action or proceeding in such venue.

20. Entire Agreement. This Agreement constitutes the entire agreement between the parties respecting the employment of the Executive, there being no representations, warranties or commitments except as set forth herein.

21. Counterparts. This Agreement may be executed in two counterparts, each of which shall be an original and all of which shall be deemed to constitute one and the same instrument.

22. Withholding. The Company may withhold from any benefit payment or any other payment or amount under this Agreement all federal, state, city or other taxes as shall be required pursuant to any law or governmental regulation or ruling.

23. Representations of the Executive. The Executive represents and warrants to the Company that (i) the Executive has furnished to the Company all agreements respecting any post-employment restrictions applicable to the Executive with his immediately preceding employer; and (ii) there are no other agreements to which the Executive is a party that conflict with the Executive's acceptance of employment with the Company or would be violated or breached by Executive's acceptance of employment with the Company, including any non-solicitation, non-competition or other similar covenant or agreement. The Executive agrees that the Executive will perform his duties to the Company in a manner that complies with all such agreements.

IN WITNESS WHEREOF, the undersigned have duly executed and delivered this Agreement, or have caused this Agreement to be duly executed and delivered on their behalf.

LABORATORY CORPORATION OF AMERICA HOLDINGS

/s/ Adam H. Schechter

Name: Adam H. Schechter
Title: President and Chief Executive Officer

EXECUTIVE

/s/ Thomas H. Pike

Thomas H. Pike

EXHIBIT 1

Sign-On Equity Grant

LABORATORY CORPORATION OF AMERICA HOLDINGS

2016 OMNIBUS INCENTIVE PLAN RESTRICTED STOCK UNIT AGREEMENT

Laboratory Corporation of America Holdings, a Delaware corporation (the "Company"), hereby grants restricted stock units relating to its shares of common stock, par value $0.10 (the "Restricted Stock Units") to the Grantee named below, subject to the vesting and other conditions set forth below. Additional terms and conditions of the grant are set forth in this cover sheet and in the attachment (collectively, the "Agreement") and in the Company's 2016 Omnibus Incentive Plan (the "Plan"). Certain capitalized terms used but not defined in this Agreement have the meanings given such terms in the Plan.

Grant Date: January___, 2023

Name of Grantee: Thomas H. Pike

Grantee's Social Security Number: _____-____-_____

Number of Shares of Stock underlying Restricted Stock Units: _____

Purchase Price Per Share of Stock: _____

Vesting Schedule:

The Restricted Stock Units will be subject to three twelve-month vesting periods and will be eligible to vest as follows: one-third of the Restricted Stock Units vest on January ___, 2024, an additional one-third of the Restricted Stock Units will vest on January __, 2025 and the remaining one-third of the Restricted Stock Units will vest on January __, 2026 (each, a "Vesting Date"), provided Grantee has not had a Separation from Service (as defined below) prior to each such Vesting Date. The number of vested Restricted Stock Units on each Vesting Date will be rounded to the nearest whole number, and Grantee cannot vest in more than the number of Restricted Stock Units set forth above.

This grant of Restricted Stock Units is subject to all of the terms and conditions described in this Agreement and in the Plan, a copy of which is also attached. You acknowledge that you have carefully reviewed the Plan, and agree that the Plan will control in the event any provision of this cover sheet or Agreement should appear inconsistent.

Grantee: _____ Date:__ (Signature)

Company: _____ Date: January__, 2023
Adam Schechter

Title: President & Chief Executive Officer

Attachment

This is not a stock certificate or a negotiable instrument.

LABORATORY CORPORATION OF AMERICA HOLDING

2016 OMNIBUS INCENTIVE PLAN

RESTRICTED STOCK UNIT AGREEMENT

Restricted Stock Units

This Agreement evidences an award of Restricted Stock Units in the number of shares set forth on the cover sheet, and subject to the vesting and other conditions described below, in the Plan and on the cover sheet (the "Restricted Stock Units").

The Purchase Price for the shares of Stock underlying the Restricted Stock Units is deemed paid by your prior services to the Company.

Transfer of Restricted Stock Units

To the extent not yet vested, your Restricted Stock Units may not be sold, transferred, assigned, pledged or otherwise encumbered or disposed of, whether by operation of law or otherwise, nor may your Restricted Stock Units be made subject to execution, attachment or similar process.

Vesting Schedule

Your Restricted Stock Units shall vest in accordance with the vesting schedule shown on the cover sheet so long as you have not had a Separation from Service prior to the Vesting Dates set forth on the cover sheet.

No additional Restricted Stock Units will vest after you have had a Separation from Service for any reason except as set forth in this Agreement.

Death, Disability, or Specified Terminations following Change in Control

Notwithstanding the vesting schedule set forth above, if you have a Separation from Service as a result of your (1) death, (2) Disability, or (3) a Separation from Service for Good Reason or without Cause within 24 months after a Change in Control, 100% of the Restricted Stock Units will vest on the date of your Separation from Service. For purposes of your Restricted Stock Units, "Disability," "Good Reason" and "Cause" shall have the meaning given such terms in the Executive Employment Agreement entered into as of January __, 2023 by and among you and the Company.

Further, if you are employed by a legal entity that is contemplated to be part of the spin-off of the Company's Clinical Development business to Company shareholders through a tax-free transaction consistent with the Company's public announcement dated July 28, 2022 of such transaction (such transaction, the "Spinoff") and your employing entity is sold by the Company to a third party on or before December 31, 2023 in a transaction that does not constitute a Change in Control, the Committee shall have the right to cause the Restricted Stock Units to be assumed or continued by the purchasing entity, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares subject to the Restricted Stock Units, and, if your Restricted Stock Units are so assumed or continued and you have a Separation from Service as a result

of your (1) death, (2) Disability, or (3) Separation from Service for Good Reason or without Cause within 12 months after such transaction, 100% of the Restricted Stock Units will vest on the date of your Separation from Service, provided that whether or not you have had a Separation from Service will be determined by reference to whether you have had a Separation from Service from such assuming entity.

Termination by the Company without Cause prior to Spinoff; Service solely as member of the Spinco Board of Directors

Notwithstanding the vesting schedule set forth above, (i) if, prior to the Spinoff, you are terminated by the Company without Cause and you do not, in connection with the Spinoff, serve as a member of the Board of Directors of Spinco (the "Spinco Board"), 100% of the Restricted Stock Units will vest on the date of your Separation from Service, and (ii) if, prior to or in connection with the Spinoff, you are terminated by the Company without Cause but, in connection with the Spinoff, it is determined that you will serve as a member of the Spinco Board (and not as an employee of Spinco), you will, notwithstanding the definition of Separation from Service set forth herein or any other terms herein, not receive acceleration of vesting upon your termination from Labcorp, but your Restricted Stock Units will be eligible to continue to vest subject to your continued Service on the Spinco Board.

Retirement at Age 65 Plus 5

Notwithstanding the vesting schedule set forth above, if you have a Separation from Service, other than a Separation from Service by the Company for Cause, at a time when you have attained age 65 and completed five full years of Service ("Retirement at Age 65 Plus 5"); and

(i) Your Separation from Service occurs on or after 6 months following the Grant Date, but before 9 months following the Grant Date, the Restricted Stock Units that were scheduled to vest in accordance with the original vesting schedule within 12 months immediately following such Separation from Service will vest on the date of your Separation from Service; or

(ii) Your Separation from Service occurs on or after 9 months following the Grant Date, 100% of the Restricted Stock Units will vest on the date of your Separation from Service.

For purposes of determining eligibility for Retirement at Age 65 Plus 5, Service shall be calculated in accordance with the terms of the Laboratory Corporation of America Holdings Reinstatement Policy, as it may be amended from time to time, and shall mean the time in which you are employed by the Company and/or an Affiliate of the Company but only while the Affiliate is owned, controlled or under common control by or with the Company.

Separation Without Cause or for Good Reason following Spinoff and not Related to a Change in Control

Notwithstanding the vesting schedule set forth above, if, following the Spinoff but unrelated to a Change in Control, (i) you have an involuntary Separation from Service without Cause or a voluntary Separation from Service for any reason including Good Reason but, it is determined that you will serve as a member of the Spinco Board (and not as an employee of Spinco), you will, notwithstanding the definition of Separation from Service set forth herein or any other terms herein, not receive acceleration of vesting upon your termination of employment, but your Restricted Stock Units will be eligible to continue to vest subject to your continued Service on the Spinco Board or (ii) you have either received notice of or have incurred an involuntary Separation

Separation Without Cause or for Good Reason following Spinoff and not Related to a Change in Control	from Service without Cause, or you have either given notice of, or have incurred a, voluntary Separation from Service for Good Reason and you do not continue to serve as a member of the Spinco Board immediately following such Separation from Service, in each case, on or after 6 months following the Grant Date, the Restricted Stock Units that were scheduled to vest in accordance with the original vesting schedule within 12 months immediately following said Separation from Service will vest on the date of your Separation from Service. For the avoidance of doubt, if you are given notice of your involuntary Separation from Service prior to 6 months following the Grant Date, you shall not receive any acceleration of vesting pursuant to this section, even if your Separation from Service occurs on or after 6 months following the Grant Date. Similarly, for the avoidance of doubt, if you provide notice of your voluntary Separation of Service for Good Reason prior to 6 months following the Grant Date, you shall not receive any continuation of vesting pursuant to this section, even if your Separation from Service occurs on or after 6 months following the Grant Date.
Separation due to Retirement at Age 55 (Rule of 70)	Notwithstanding the vesting schedule set forth above, if you have a Separation from Service on or after 6 months following the Grant Date, other than a Separation from Service by the Company for Cause, at a time when you have attained age 55 and the sum of your age and full years of Service equals or exceeds 70 ("Retirement at Age 55 (Rule of 70)") the Restricted Stock Units that were scheduled to vest in accordance with the original vesting schedule within 12 months immediately following said Separation from Service will vest upon the occurrence of such event. For purposes of determining eligibility for Retirement at Age 55 (Rule of 70), Service shall be calculated in accordance with the terms of the Company's Reinstatement Policy, as it may be amended from time to time, and shall mean the time in which you are employed by the Company and/or an Affiliate of the Company but only while the Affiliate is owned, controlled or under common control by or with the Company.
Forfeiture of Unvested Restricted Stock Units	Unless your Separation from Service triggers accelerated vesting or other treatment of your Restricted Stock Units pursuant to the terms of this Agreement, the Plan, or any other written agreement between the Company or an Affiliate and you, you will automatically forfeit to the Company all of the Restricted Stock Units that have not yet vested as of your Separation from Service.

Forfeiture of Rights

If you should take actions in violation or breach of or in conflict with any (a) employment agreement, (b) non-competition agreement, (c) agreement prohibiting solicitation of employees or clients of the Company or any Affiliate, (d) confidentiality obligation with respect to the Company or any Affiliate, (e) Company policy or procedure, (f) other agreement, or (g) if you incur a Separation from Service for Cause, the Company has the right to cause an immediate forfeiture of (i) your rights to any outstanding Restricted Stock Units, and (ii) with respect to the period commencing thirty-six (36) months prior to your Separation from Service with the Company or any Affiliate and ending thirty-six (36) months following such Separation from Service (A) a forfeiture of any gain recognized by you upon the sale of any shares of Stock received as a result of the vesting of any Restricted Stock Units, and (B) a forfeiture of any vested shares of Stock held by you as a result of the vesting of any Restricted Stock Units. For the avoidance of doubt, the Confidentiality Agreement/Non-Competition/Non-Solicitation Agreement set forth in Exhibit B is covered by this provision.

Leaves of Absence

For purposes of this Agreement, you do not have a Separation from Service when you go on a *bona fide* employee leave of absence that was approved by your employer in writing, if the terms of the leave provide for continued Service crediting, or when continued Service crediting is required by applicable law. However, your Service will be treated as terminating 90 days after you went on employee leave, unless your right to return to active work is guaranteed by law or by a contract. You will incur a Separation from Service in any event when the approved leave ends unless you immediately return to active employee work.

Your employer determines, in its sole discretion, which leaves count for this purpose, and when you have a Separation from Service for all purposes under the Plan. Notwithstanding the foregoing, the Company may determine, in its discretion, that a leave counts for this purpose even if your employer does not agree.

Issuance

The shares of Stock underlying your vested Restricted Stock Units will be issued as soon as practicable following the earlier of (i) the date that your Restricted Stock Units vest pursuant to the vesting schedule, or (ii) the date of your Separation from Service, but in no event later than 60 days following the first of such events.

Withholding Taxes

You agree, as a condition of this grant, that you will make acceptable arrangements to pay any withholding or other taxes that may be due as a result of grant or vesting of Restricted Stock Units, the payment of dividends or the issuance of Stock acquired under this grant. In the event that the Company or any Affiliate determines that any federal, state, local or foreign tax or withholding payment is required relating to the grant or vesting of Restricted Stock Units, the payment of dividends or the issuance of Stock acquired from this grant, the Company or any Affiliate shall have the right to require such payments from you, or withhold such amounts from other payments due to you from the Company or any Affiliate.

	To satisfy this withholding obligation, the Company may provide you with the opportunity to satisfy the withholding obligation in cash or to have the Company withhold shares of Stock otherwise issuable to you. If you fail to make an election to use either of the preceding methods or fail to fully satisfy the obligation in cash, the Company will withhold shares of Stock otherwise issuable to you. The shares of Stock so withheld will have an aggregate Fair Market Value equal to the withholding obligation.
Retention Rights	This Agreement and the Restricted Stock Units do not give you the right to be retained by the Company or any Affiliate in any capacity. The Company or any Affiliate reserves the right to terminate your Service at any time and for any reason.
Stockholder Rights	You, or your estate or heirs, have no rights as a stockholder of the Company until the Stock has been issued upon vesting of your Restricted Stock Units and either a certificate evidencing your Stock has been issued or an appropriate entry has been made on the Company's books. You will, however, be entitled to receive an amount of cash or shares of Stock (as determined by the Company from time to time) payable at the time the shares underlying your vested Restricted Stock Units are delivered, equal to the amount or value of the cumulative per-share dividends, if any, paid on shares of Stock equal to the number of Restricted Stock Units in which you vest that were outstanding as of the record date for such dividend.
Insider Trading Policy	You acknowledge receipt of the Company's Insider Trading Policy (the "Policy"), attached hereto as Exhibit A. You agree to comply fully with the standards contained in the Policy (and related policies and procedures adopted by the company). You further understand that compliance with these standards, policies, and procedures is a condition of continued employment or association with the Company or any of its subsidiaries and that the Policy is only a statement of principles for individual and business conduct and does not, in any way, constitute an employment contract, an assurance of continued employment, or employment other than at-will. By acceptance of the Restricted Stock Units granted hereunder, you certify to your understanding of and intent to comply with the Policy.
Confidentiality Agreement/Non-Competition/Non-Solicitation Agreement	In consideration of the award of Restricted Stock Units granted pursuant to this Agreement, you agree to be bound by the obligations in, and covenant to comply with, the Confidentiality Agreement/Non-Competition/Non-Solicitation Agreement set forth in Exhibit B, which is attached hereto and made a part hereof, and you further understand that a failure to comply with the Confidentiality Agreement/Non-Competition/Non-Solicitation Agreement's terms and conditions set forth in Exhibit B may result in consequences as described in Exhibit B.
Clawback	The Restricted Stock Units are subject to mandatory repayment by you to the Company to the extent you are or in the future become subject to any Company "clawback" or recoupment policy that requires the repayment by you to the Company of compensation paid by the Company to you in the event that you fail to comply with, or violate, the terms or requirements of such policy.

Applicable Law

This Agreement will be interpreted and enforced under the laws of the State of Delaware, other than any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

The Plan

The text of the Plan is incorporated in this Agreement by reference.

This Agreement and the Plan constitute the entire understanding between you and the Company regarding this grant of Restricted Stock Units. Any prior agreements, commitments or negotiations concerning this grant are superseded; except that any written employment, and/or severance agreement between you and the Company or any Affiliate shall supersede this Agreement with respect to its subject matter.

If there is any conflict between this Agreement and the Plan, or if there is any ambiguity in this Agreement, any term which is not defined in this Agreement or any matter as to which this Agreement is silent, in any such case, the Plan shall govern, including, without limitation, the provisions thereof pursuant to which the Committee has the power, among others, to (i) interpret the Plan, (ii) prescribe, amend and rescind rules and regulations relating to the Plan and (iii) make all other determinations deemed necessary or advisable for the administration of the Plan.

Data Privacy

In order to administer the Plan, the Company or any Affiliate may process personal data about you. Such data includes, but is not limited to, information provided in this Agreement and any changes thereto, other appropriate personal and financial data about you such as your home and business addresses and other contact information, payroll information and any other information that might be deemed appropriate by the Company and any Affiliate to facilitate the administration of the Plan.

By accepting this grant, you give explicit consent to the Company and any Affiliate to process any such personal data. You also give explicit consent to the Company and any Affiliate to transfer any such personal data outside the country in which you work or are employed, including, with respect to non-U.S. resident participants, to the United States, to transferees who shall include the Company, any Affiliate and other persons who are designated by the Company to administer the Plan.

Notices

Any notices to be given under the terms of this Agreement shall be in writing and addressed to the Company at 531 South Spring Street, Burlington, North Carolina 27215, Attention: Corporate Secretary and Securities Compliance Officer, and to you at the address in the Company's books and records, or at such address as either party may hereafter designate in writing to the other.

Consent to Electronic Delivery

The Company may choose to deliver certain statutory materials relating to the Plan in electronic form. By accepting this grant you agree that the Company may deliver the Plan prospectus and the Company's annual report to you in an electronic format. If at any time you would prefer to receive paper copies of these documents, as you are entitled to, the Company would be pleased to provide copies. Please email your request for paper copies to StockCompliance@Labcorp.com.

Electronic Signature	All references to signatures and delivery of documents in this Agreement can be satisfied by procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents, including this Agreement. Your electronic signature is the same as, and shall have the same force and effect as, your manual signature. Any such procedures and delivery may be effected by a third party engaged by the Company to provide administrative services related to the Plan.
Code Section 409A	"Separation from Service" shall have the meaning set forth in Section 409A of the Code and the guidance and regulations promulgated thereunder ("Section 409A") which includes when the Company reasonably anticipates that your level of Services will permanently decrease to no more than 20 percent of the average level of Services you have performed over the immediately preceding 36-month period (or such lesser period of your Service with the Company and its Affiliates), which shall be interpreted consistently with the provisions of Section 409A, provided, however, that, notwithstanding the terms of Section 409A if you continue employment with a former subsidiary of the Company following the sale of the subsidiary in a stock sale, merger, spin-off or other similar transaction and your Restricted Stock Units are not assumed in connection with such transaction, you will be deemed to have a Separation from Service as of the consummation of such transaction and your vesting will cease and the terms in this Agreement regarding the effect of a Separation from Service will be given effect. It is intended that the Agreement comply with Section 409A to the extent subject thereto, and, accordingly, to the maximum extent permitted, the Agreement will be interpreted and administered to be in compliance with Section 409A. To the extent that the Company determines that you would be subject to the additional taxes or penalties imposed on certain nonqualified deferred compensation plans pursuant to Section 409A as a result of any provision of this Agreement, such provision shall be deemed amended to the minimum extent necessary to avoid application of such additional taxes or penalties. The nature of any such amendment shall be determined by the Company. Notwithstanding anything to the contrary in this Agreement or the Plan, to the extent required to avoid accelerated taxation and penalties under Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to the Agreement during the six-month period immediately following your Separation from Service will instead be paid on the first payroll date after the six-month anniversary of your Separation from Service (or your death, if earlier). Each installment of Restricted Stock Units that vests under this Agreement (if there is more than one installment) will be considered one of a series of separate payments for purposes of Section 409A.

By electronically acknowledging this Agreement, you agree to all of the terms and conditions described above, in the Plan, in the Company's Insider Trading Policy attached as Exhibit A and in the Confidentiality Agreement/Non-Competition/Non-Solicitation Agreement attached hereto as Exhibit B.

EXHIBIT B

CONFIDENTIALITY/NON-COMPETITION/NON-SOLICITATION AGREEMENT

During the course of your employment with Laboratory Corporation of America Holdings ("Labcorp") or its subsidiaries, divisions, or affiliates, you will have access to, or will acquire, highly confidential information and trade secrets concerning Labcorp's and the Employer Company's business, including, but not limited to, customer lists, pricing, methods of pricing, marketing practices, advertising strategy, methods of operation and the needs and requirements of Employer Company's and/or Labcorp's customers. In addition, you will receive from Labcorp or Employer Company and/or be exposed to Labcorp's or the Employer Company's valuable technical and marketing information that will materially aid you in the performance of your duties on behalf of the Employer Company, and assist you and/or the Employer Company in furthering the Employer Company's business interests, including establishing and retaining the Employer Company's customers. The support furnished to you by the Employer Company will enable you to increase the value of the Employer Company's goodwill with the Employer Company's customers, which is a valuable asset of the Employer Company.

As indicated by the foregoing, the services you will be performing for the Employer Company will be of a special, unique and extraordinary nature. Accordingly, in consideration of Labcorp extending to you, as applicable, certain incentive compensation in the form of Restricted Stock Units, Performance Shares, Restricted Stock and/or Stock Options, as set forth in the Agreement(s) to which this Exhibit is made a part thereof and which governs the grant of said benefits, any and all of which benefits otherwise would not be provided to you absent your agreement to be bound by the terms of this Confidentiality/Non-Competition/Non-Solicitation Agreement ("Restrictive Covenant Agreement"), you agree that:

1. **Property Rights and Workproduct**. All ideas, inventions, discoveries, developments, standard operating procedures, designs, algorithms, improvements, formulae, processes, techniques, programs, know-how, data, databases, notes, business plans, reports, presentations, and any other work product relating to the Employer Company's business or anticipated business, together with all printed, physical and electronic copies and other tangible embodiments thereof (hereafter collectively referred to as "Work Product") created, generated, developed, conceived or reduced to practice by you individually or jointly with others as part of your employment with the Employer Company shall (to the extent consisting of copyrightable subject matter) be deemed to be work made for hire, and the Employer Company shall be the sole owner of all rights, title and interest in and to the Work Product. To the extent such Work Product, or any part thereof, does not constitute "work made for hire" as defined in the Copyright Act of 1976 (17 U.S.C. § 101) or equivalent laws of a non-US jurisdiction, you agree to permanently and irrevocably assign, and hereby permanently and irrevocably assign, to the Employer Company all of your right, title and interest in and to the Work Product, together with all goodwill therein and the right to sue, counterclaim and recover for past, present and future infringement misappropriation and dilution thereof. The Employer Company may, at its own expense, prepare and process applications for copyrights, trademarks, service marks, or patents and other intellectual property rights therein arising in any jurisdiction, and may take other actions that it deems necessary or appropriate to protect its rights in and to the aforementioned items. You shall cooperate with the

Employer Company in protecting and enforcing its rights therein, including by executing such applications and other documentation prepared for the protection and enforcement of its rights, title and interest in such Work Product and assigning such documentation to the Employer Company, and delivering to the Employer Company all printed, physical and electronic copies and other tangible embodiments of the Work Product that may come into your possession.

2. **Confidentiality**. You agree that during the term of your employment and for any time after your termination, you shall not, without the prior written consent of the Employer Company, divulge to any third party or use for your own benefit, or for any purpose other than the exclusive benefit of the Employer Company, any Confidential Information of the Employer Company, Labcorp and its subsidiaries, divisions, or affiliates. In this Restrictive Covenant Agreement, Confidential Information shall mean information that concerns the Employer Company's, Labcorp's and its subsidiaries', divisions', or affiliates' prices, pricing methods, costs, profits, profit margins, suppliers, methods, procedures, processes or combinations or applications thereof developed in, by, or for the Employer Company's business, research and development projects, data, business strategies, marketing strategies, sales techniques, customer lists, customer information, financial information, or any other information concerning the Employer Company or its business that is not readily and easily available to the public or to those persons in the same business, trade, or industry of the Employer Company. The term "customer information" as used in this Restrictive Covenant Agreement shall mean information that concerns the course of dealing between the Employer Company and its customers or potential customers solicited by the Employer Company, customer preferences, particular contracts or locations of customers or potential customers, negotiations with customers, and any other information concerning customers or potential customers obtained by the Employer Company that is not readily and easily available to the public or to those in the business, trade, or industry of the Employer Company. Your obligation not to disclose Confidential Information does not prohibit you from (a) disclosing the information to a government agency if you are required to produce the information pursuant to a subpoena, court order, administrative order or other legal process, (b) discussing terms and conditions of employment or engaging in other activities protected by the National Labor Relations Act, (c) communicating with the Securities and Exchange Commission about securities law violations, or (d) communicating with any other government entity or agency if such communication is to report a violation of applicable law. However, you shall notify the Employer Company in writing within three (3) calendar days of the receipt of any subpoena, court order, administrative order or other legal process requiring disclosure of Confidential Information and shall provide the Employer Company with a copy of said subpoena, court order, administrative order or other legal process.

3. **Non-Solicitation of Labcorp Employees**. During the term of your employment and for a period of twelve (12) months following the term of your employment, you shall not, directly or indirectly through a subordinate, co-worker, peer, or any other person or entity contact, solicit, encourage or induce any officer, director or employee of Labcorp or its

subsidiaries and affiliates to work for or provide services to you and/or any other person or entity that either (i) directly provides products or services that compete with the products or services provided by the Employer Company in a geographic market serviced by the Employer Company or (ii) supplies, services, advises or consults with a person, trade or business that products or services that compete with the products or services provided by the Employer Company in a geographic market serviced by the Employer Company.

4. **Non-Solicitation of Customers.** During your employment and for a period of twelve (12) months following the voluntary or involuntary termination of your employment, you will not either directly or indirectly through a subordinate, co-worker, peer or other person or entity, call upon, contact, or solicit or attempt to call upon, contact or solicit any customer or customer prospect of the Employer Company, with a view toward the sale or providing of any service or product competitive with the products and services offered by the Employer Company; provided, however, the restrictions set forth in Paragraph 4 shall apply only to customers or prospects of the Employer Company, or representatives of the same, with which you had contact during the last twenty-four (24) months of your employment with the Employer Company. The parties agree and affirm that their intention with respect to Paragraph 4 is that your activities be limited only for a twelve (12) month period after termination of your employment with the Employer Company for any reason. The provisions calling for a "look back" of twenty-four (24) calendar months prior to the termination of employment are intended solely as a means of identifying the customers and potential customers to which such restrictions apply and are not intended to nor shall they, under any circumstances, be construed to define the length or term of any such restriction.

5. **Noncompetition**. During your employment and for a period of twelve (12) months following your voluntary or involuntary termination of employment, you shall not become an owner in, shareholder with more than a 2% equity interest in, investor in, or an employee, contractor, consultant, advisor, representative, officer, director, or agent of, a trade or business that offers products and services that are the same or substantially similar to the products and services provided by the Employer Company in any geographic market in which the Employer Company conducts business ("Competitor"); provided, however, that the duties and responsibilities of said employment or engagement as an owner in, shareholder with more than 2% equity interest in, investor in, employee, contractor, consultant, advisor, representative, officer, director or agent are (i) the same, similar, or substantially related to your current duties and responsibilities or duties or responsibilities performed by you while employed by the Employer Company at any time during a six (6) month period prior to your date of termination of employment and (ii) related to or concerning the Competitor's business activities in the Restricted Territory. The parties agree and affirm that their intention with respect to Paragraph 5 is that your activities shall be limited only for the twelve (12) month period after termination of employment for any reason. The provisions calling for a "look back" of six (6) calendar months prior to the date of termination of employment are intended solely as a means of identifying the duties and responsibilities that will define the restricted

activities covered by Paragraph 5 and are not intended to nor shall they, under any circumstances, be construed to define the length or term of any such restriction. For purposes of Paragraph 5, the term "Restricted Territory" means the geographic area that is part of your current duties and responsibilities or the geographic area that was part of your duties and responsibilities within a period of six (6) month period prior to the date of your termination of employment. If a court of competent jurisdiction determines that the Restricted Territory as defined herein is too restrictive, then the parties agree that said court may reduce or limit the Restricted Territory to the largest acceptable area so as to enable the enforcement of Paragraph 5.

6. **Return of Confidential Information**. At any time upon the request of the Employer Company or upon your termination of your employment, you shall return to the Employer Company any and all Employer Company property including but not limited to laptops, phones, smart phones and documents or materials in your possession, custody and control that contain Confidential Information. You also agree that upon termination of employment, you shall destroy any Confidential Information stored on your personal computer or other data storage device. Along with the return of said documents and materials, you shall provide the Employer Company (upon the Employer Company's request) with a sworn or written statement indicating that you do not have possession, custody and control of any of the Employer Company's Confidential Information and have destroyed all of the Employer Company's data electronically stored on your personal computer or other data storage device.

7. **Notice**. Notice shall be effective only if it is made in writing and actually or constructively received by the individuals below. To be effective, any notice required under this Restrictive Covenant Agreement must be sent by nationally recognized express delivery courier or by certified mail, return receipt requested, to the person(s) and address(es) listed below.

General Counsel
Laboratory Corporation of America Holdings
531 South Spring Street
Burlington, North Carolina 27215

with a copy to:

Chief Legal Officer
Laboratory Corporation of America Holdings
531 South Spring Street
Burlington, North Carolina 27215

and, if to you, notice shall be sent to your last known mailing address on record at the Employer Company. You have an obligation to ensure that the Employer Company's records contain your most recent address.

8. **Breach/Available Remedies**.

a. Except as otherwise provided in this subparagraph, if any provision of this Restrictive Covenant Agreement shall be determined to be invalid or unenforceable by a court of competent jurisdiction, that part shall be ineffective to the extent of such invalidity or unenforceability only, without in any way affecting the remaining parts of said provision or the remaining provisions of this Restrictive Covenant Agreement; provided, that if any provision contained in this Restrictive Covenant Agreement shall be adjudicated to be invalid or unenforceable because such provision is held to be excessively broad as to duration, geographic scope, activity or subject, the parties agree that the said provision shall be limited and reduced to the maximum extent compatible with the applicable laws of such jurisdiction, and such amendment only to apply with respect to the operation of such provision in the applicable jurisdiction in which the adjudication is made.

b. You agree that as part of this Restrictive Covenant Agreement, you will have access to the Employer Company's Confidential Information, personnel, and existing and potential customers of the Employer Company. You further agree that the Employer Company maintains a competitive advantage over other persons or entities in the trade or business of providing commercial medical laboratory testing services as a result of the Employer Company's Confidential Information, personnel, and existing and potential customer contacts. You further agree that the Employer Company will be placed at a competitive disadvantage in the event that you breach this Restrictive Covenant Agreement and that damages would not be an adequate or reasonable remedy in the event of such breach. Accordingly, you stipulate that in the event that you breach one or more of the provisions set forth in this Restrictive Covenant Agreement, the Employer Company will be entitled to an injunction restraining you from violating the terms of those paragraphs. Nothing herein shall be construed as prohibiting the Employer Company from pursuing any other remedy available for such breach or prospective breach.

9. **Miscellaneous**.

a. Absent any other agreement to the contrary nothing herein shall be construed as giving you the right to continued service or employment relationship with the Employer Company. This Agreement does not alter or amend in any way the Employer Company's right to terminate the employment relationship in accordance with any offer letter, employment contract or applicable law.

b. You represent and warrant that you are not a party to any contract, agreement or understanding that prevents or prohibits you from entering into and fully performing under this Restrictive Covenant Agreement.

c. In the event a court of law declares any provision of this Restrictive Covenant Agreement to be null and void, it is

understood and agreed by you and the Employer Company that such clause shall be severed from this Restrictive Covenant Agreement and that the remaining provisions of this Restrictive Covenant Agreement shall continue to be binding on you.

d. It is understood and agreed by you and Laboratory Corporation of America Holdings ("Labcorp") that this Exhibit B Confidentiality/Non-Competition/Non-Solicitation Agreement constitutes the agreement in its entirety and supersedes any previous Exhibit B Confidentiality/Non-Competition/Non-Solicitation Agreement previously executed by you as part of an Equity Award Agreement with Labcorp. This Exhibit B Confidentiality/Non-Competition/Non-Solicitation Agreement replaces any other non-compete, non-solicitation and confidentiality agreement which you may have previously executed in favor of Labcorp or one of its subsidiary companies incorporated within the United States. This Exhibit B Confidentiality/Non-Competition/Non-Solicitation Agreement shall not replace, amend, restrict, otherwise modify or supersede any employment contract or agreement between you and a foreign subsidiary of Labcorp and shall not amend, alter or affect any non-compete, non-solicitation or confidentiality agreement executed by you and Labcorp or an Employer Company in connection with a merger or acquisition agreement of a business entity with whom you were previously employed or affiliated, including, but not limited to, an ownership or investment interest in said entity.

e. For purposes of this Restrictive Covenant Agreement, the Employer Company shall mean Laboratory Corporation of America Holdings or its subsidiary and affiliated companies with whom you are employed at the commencement of your employment, as well as any subsequent parent, subsidiary or affiliated company that becomes the employing entity in the event of a transfer, promotion, assignment, reassignment or corporate restructuring.

f. As used herein, "affiliate" shall mean a current or future company or other business entity that, directly or indirectly, is controlled by, controls or is under common control with Laboratory Corporation of America Holdings. For the purposes of the preceding sentence, the meaning of the word "control" shall include, but not necessarily be limited to, ownership of more than fifty percent (50%) of the voting shares or other interest of the Employer Company or other business entity.

g. This Restrictive Covenant Agreement shall be binding upon you and shall inure to the benefit of the parties and their respective personal representatives, heirs, affiliates, successors, and assigns. Labcorp may at its sole discretion assign its rights under this Restrictive Covenant Agreement.

h. You affirm by signing this Restrictive Covenant Agreement that you have completely read this entire Restrictive Covenant Agreement and understand the terms and conditions included

within this Restrictive Covenant Agreement. You also agree that this Restrictive Covenant Agreement may not be modified or altered in any respect except in writing, signed by you and Labcorp.

i. This Restrictive Covenant Agreement shall be deemed to have been entered into in the State of North Carolina and shall be construed in accordance with and governed by the laws of North Carolina, to the exclusion of the laws of any other forum including but not limited to the laws of the State of California. You agree, acknowledge and recognize that by virtue of your employment with the Employer Company, either a North Carolina corporation or a subsidiary of a North Carolina corporation, with its principal place of business in North Carolina, and your own contacts and business dealings with Labcorp and the Employer Company in North Carolina, North Carolina has a substantial relationship to this Restrictive Covenant Agreement and a materially greater interest in applying its laws, over and to the exclusion of the laws of any other forum, to the resolution of any dispute arising out of or relating to this Restrictive Covenant Agreement.

j. Any action, special proceeding or other proceeding, including without limitation any request for temporary, preliminary, or permanent injunctive relief with respect to this Restrictive Covenant Agreement shall be brought ***exclusively*** in the federal or state courts of the State of North Carolina. ***You and the Employer Company irrevocably consent to the jurisdiction of the Federal and State courts of North Carolina and you hereby consent and submit to personal jurisdiction in the State of North Carolina. You and the Employer Company irrevocably waive any objection, including an objection or defense based on lack of personal jurisdiction, improper venue or forum non-conveniens which either may now or hereafter have to the bringing of any action or proceeding in connection with this Restrictive Covenant Agreement. You acknowledge and recognize that in the event that you breach this Restrictive Covenant Agreement, the Employer Company may initiate a lawsuit against you in North Carolina, that you waive your right to have that lawsuit be brought in a court located closer to where you may reside, and that you will be required to travel to and defend yourself in North Carolina. You likewise agree that to the extent you institute any action arising out of or relating to this Restrictive Covenant Agreement, it shall be brought in North Carolina and doing so does not present any undue burden or inconvenience to you.***

k. You shall at all times abide by such laws and regulations, including but not limited to such laws which relate to the improper inducement for referrals of items or Services reimbursable by the Federal health care programs 42 U.S.C. § 1320a-7b(b) (the “anti-kickback statute”). You acknowledge that you are (i) aware that the United States securities laws prohibit any person who has material nonpublic information about the Employer Company from purchasing or selling securities of such Employer Company, or

from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities and (ii) familiar with the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder and agrees that it will neither use, nor cause any third party to use, any Information in contravention of such Act or any such rules and regulations, including Rules 10b-5 and 14e-3.

l. Except as stated otherwise herein, this Restrictive Covenant Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof, and there are no representations, warranties, covenants, conditions, understandings or agreements other than those expressly set forth herein.

By electronically acknowledging this Agreement, you agree to all of the terms and conditions described above, in the Plan, in the Company's Insider Trading Policy attached as Exhibit A and in the Confidentiality Agreement/Non-Competition/Non-Solicitation Agreement attached as Exhibit B.

EXHIBIT 2-A

Labcorp Release Agreement

CONFIDENTIAL SEPARATION AGREEMENT AND GENERAL RELEASE

This Confidential Separation Agreement and General Release (the "Release Agreement") is being entered into between Thomas H. Pike ("Executive") and Laboratory Corporation of America Holdings, a Delaware corporation (the "Company"), with each party intending to be bound by the terms and conditions of this Release Agreement. Executive and the Company are collectively referred to as the Parties throughout this Release Agreement.

WHEREAS, the Executive was employed by the Company pursuant to the terms of an Executive Employment Agreement between the Company and the Executive dated as of January 4, 2023 (the "Employment Agreement");

WHEREAS, capitalized terms used in this Release Agreement and not defined herein shall have the meanings ascribed to them in the Employment Agreement;

WHEREAS, the termination of Executive's employment with the Company satisfies the conditions to receive the payments set forth in Section 7(d) of the Employment Agreement;

WHEREAS, this Release Agreement is the "Labcorp Release Agreement" referred to in the Employment Agreement.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants and agreements contained herein, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1.0 Separation of Employment

1.1 Effective _____, 20__ (the "**Separation Date**"), Executive's employment with the Company will terminate; he shall perform no further services for the Company and his status as an Executive and Officer of the Company shall cease on that date. [Executive also hereby resigns from all positions that Executive holds as an officer or member of the Board of Directors of the Company (or a committee thereof) and as an officer or member of the board of directors (or a committee thereof) of any Company subsidiaries or affiliates.][Executive also hereby resigns from all positions that Executive holds as an officer of the Company and as an officer or member of the board of directors (or a committee thereof) of any Company subsidiaries or affiliates, provided that Executive and the Company agree that Executive will continue to serve as a member of the Board of Directors of the Company as of the Separation Date, subject to the terms and conditions of the Company's by-laws.] Executive and the Company further agree that the relationship created by this Agreement is purely contractual and that no employer-Executive relationship is intended, nor shall such be inferred from the performance of obligations under this Agreement. Executive further agrees that any payments and/or benefits payable pursuant to this Agreement are contingent upon Executive's execution and fulfillment of his obligations under this Agreement.

2.0 Separation Pay

2.1 In consideration for Executive executing this Release Agreement no later than twenty-one (21) days from the Date of Termination, not exercising Executive's revocation rights

pursuant to Section 11(b) below and abiding at all times with the terms hereof, the Company will pay to Executive the Severance Benefits pursuant to Section 7(d) of the Employment Agreement. The Company's obligation to pay the Severance Benefits shall automatically terminate upon Executive's breach of any of the provisions of this Release Agreement, and any Severance Benefits already paid to Executive prior to such breach shall become immediately due and repayable to the Company.

3.0 Benefits

3.1 Executive, his spouse, and his other dependent(s) may be eligible to elect continued health care coverage under the welfare plans sponsored by the Company, as provided in the applicable provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"), which provides generally that certain Executives and their dependents may elect to continue coverage under employer-sponsored group health plans for a period of at least eighteen (18) months under certain conditions, including payment by Executive of the "**Applicable Premium**" as defined in Section 604 of the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. §§ 1001 *et seq*. ("**ERISA**").

3.2 Executive shall be eligible for such benefits under the Company's existing qualified plans as are provided under the circumstances (taking into account separation of employment as of the Separation Date) pursuant to the terms of the plan documents governing each of these plans. Except as otherwise provided herein or in the terms of any documents governing any Executive benefit plan maintained by the Company, Executive will cease to be a participant in and will no longer have any coverage or entitlement to benefits, accruals, or contributions under any of the Company's Executive benefit plans effective upon the separation of his employment. Executive agrees that the payments made to him by the Company pursuant to this Agreement do not constitute compensation for purposes of calculating the amount of benefits Executive may be entitled to under the terms of any pension plan or for the purposes of accruing any benefit, receiving any allocation of any contribution, or having the right to defer any income in any profit-sharing or other Executive pension benefit plan, including any cash or deferred arrangement.

3.3 Executive also understands that his grants of restricted stock units are governed by the terms and conditions of the Company's 2016 Omnibus Incentive Plan and applicable grant agreements and that this Agreement does not in any modify, change, alter or amend the terms and conditions of those grants.

3.4 Executive shall submit for reimbursement any and all unpaid business expenses to the Company within 30 days of the Separation Date. The Company will reimburse said expenses provided that they are consistent with, and reimbursable under, the Company's travel and entertainment expense policy. The Company will not be responsible for reimbursing the Executive for any business expenses incurred during employment but submitted after said 30-day period.

3.5 This Agreement shall never be construed as an admission by the Company of any liability, wrongdoing or responsibility on its part or on the part of any other person or entity described in Section 4.1 of this Agreement. The Company expressly denies any such liability, wrongdoing or responsibility.

4.0 Release

4.1 Executive, on behalf of himself and his heirs, assigns, transferees and representatives, hereby releases and forever discharges the Company, and its predecessors,

successors, parents, subsidiaries, affiliates, assigns, representatives and agents, as well as all of their present and former directors, officers, Executives, agents, shareholders, representatives, attorneys and insurers (collectively, the "**Releasees**"), from any and all claims, causes of actions, demands, damages or liability of any nature whatsoever, known or unknown, which Executive has or may have which arise out of his employment or cessation of employment with the Company, or which concern or relate in any way to any acts or omissions done or occurring prior to and including the date of this Agreement, including, but not limited to, claims arising under the Fair Labor Standards Act, 29 U.S.C. § 201 *et seq.*; the Equal Pay Act , 29 U.S.C. § 206(a) and interpretive regulations; Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e *et seq.*; 42 U.S.C. § 1981 *et seq.*; the Americans with Disabilities Act, 42 U.S.C. § 12101 *et seq.*; the Family and Medical Leave Act, 29 U.S.C. § 2601 *et seq.*; the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. § 1001 *et seq.*; the Worker Adjustment and Retraining Notification Act, 29 U.S.C. §§ 2101 *et seq.*; the Age Discrimination in Employment Act, as amended, 29 U.S.C. §§ 621 *et seq.*; any and all claims for wrongful termination and/or retaliation; claims for breach of contract, express or implied; claims for breach of the covenant of good faith and fair dealing; claims for compensation, including but not limited to wages, bonuses, or commissions except as otherwise contained herein; claims for benefits or fringe benefits, including, but not limited to, claims for severance pay and/or termination pay, except as otherwise contained herein; claims for, or relating to stock or stock options (except that nothing in this Agreement shall prohibit Executive from exercising any vested stock options or affect Executive's claims to vested benefits in the Company's retirement plans, if any, in accordance with the terms of the applicable stock option agreement(s) and applicable plan documents); claims for unaccrued vacation pay; claims arising in tort, including, but not limited to, claims for invasion of privacy, intentional infliction of emotional distress and defamation; claims for quantum meruit and/or unjust enrichment; and any and all other claims arising under any other federal, state, local or foreign laws (including securities laws), as well as any and all other common law legal or equitable claims.

4.2 Executive represents that he has not initiated any action or charge against any of the Releasees with any Federal, State or local court or administrative agency. If such an action or charge has been filed by Executive, or on Executive's behalf, he will use his best efforts to cause it immediately to be withdrawn and dismissed with prejudice. Failure to cause the withdrawal and dismissal with prejudice of any action or charge shall render this Agreement null and void, and any consideration paid hereunder shall be repaid immediately by the Executive upon receipt of such notice.

4.3 Executive further agrees that he will not institute any lawsuits, either individually or as a class representative or member, against any of the Releasees as to any matter based upon, arising from or relating to his employment relationship with the Company, from the beginning of time to the date of execution of this Agreement. Executive knowingly and intentionally waives any rights to any additional recovery that might be sought on his behalf by any other person, entity, local, state or federal government or agency thereof, including specifically and without limitation, the North Carolina Department of Labor, the United States Department of Labor, or the Equal Employment Opportunity Commission.

4.4 Executive is hereby advised that: (i) he should consult with an attorney (at his own expense) prior to executing this Agreement; (ii) he is waiving, among other things, any age discrimination claims under the Age Discrimination in Employment Act, provided, however, he is not waiving any claims that may arise after the date this Agreement is executed; (iii) he has twenty-one (21) days within which to consider the execution of this Agreement, before signing it; and (iv) for a period of seven (7) days following the execution of this Agreement, he may revoke this Agreement by delivering written notice (by the close of business on the seventh day) to the Company in accordance with Section 10.7 herein.

4.5 Notwithstanding the provisions of Section 4.1, said release does not apply to any and all statutory or other claims (a) that are prohibited from waiver by Federal, State or local law, (b) for enforcement of any covenant under this Agreement, (c) for any claim for any vested, accrued benefits to which Executive is (or becomes) otherwise entitled pursuant to the terms and conditions of any of the benefit plans in which Executive participated prior to the Separation Date (but not any incentive or severance plans except as provided in Section 2 or 3, above) or any other benefit due by operation of law; (d) for unemployment insurance benefits; (e) for indemnification under applicable statutory, or common law or any insurance, charter, or bylaws of the Company or any of its affiliates, including under the Employment Agreement, it being understood and agreed that this Agreement does not create or expand upon any such rights, (if any) to indemnification; or (f) for any federal securities law claim asserted solely in Executive's capacity as a shareholder of the Company, that does not concern or relate in any way to Executive's employment or other service with the Company or any of its affiliates.

5.0 Return of Company Property

5.1 Executive agrees that within 10 days after execution of this Agreement, he will return any and all Company documents and any copies thereof, in any form whatsoever, including computer records or files, containing secret, confidential and/or proprietary information or ideas, and any other Company property (including, but not limited to, any cell phones, pagers and/or computer equipment) in Executive's possession or control, except that Executive may keep possession, custody and control of his currently issued Company laptop.

6.0 Duty to Cooperate and of Loyalty/Nondisparagement

6.1 Without limitation as to time, Executive agrees to cooperate and make all reasonable and lawful efforts to assist the Company in addressing any issues which may arise concerning any matter with which he was involved during his employment with the Company, including, but not limited to cooperating in any litigation arising therefrom. The Company shall reimburse Executive at a fair and reasonable rate for services provided by the Executive to the Company in connection with services provided under this provision.

6.2 Executive will not (except as required by law) communicate to anyone, whether by word or deed, whether directly or indirectly through an intermediary, and whether expressly or by suggestion or innuendo, any statement, whether characterized as one of fact or opinion, that is intended to cause or that reasonably would be expected to cause any person to whom it is communicated to have (1) a lowered opinion of the Company or any affiliates, including a lowered opinion of any products manufactured, sold or used by, or services offered or rendered by the Company or its affiliates; and (2) a lowered opinion of the Company's creditworthiness or business prospects. Executive's obligations in this regard extends to the reputation of the Company and any of its officers and directors. To the extent permitted by law, the Company agrees (i) to instruct, as of the Separation Date, its then current Section 16 officers and directors not to publish or communicate to any person or entity or in any public forum (including social media) at any time any defamatory or disparaging remarks, comments, or statements concerning Executive and (ii) not to disparage or criticize Executive in authorized corporate communications.

7.0 Section 409A of the Code

7.1 Notwithstanding any provisions of this Agreement to the contrary, if the Executive is a "specified Executive" (within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**") and determined pursuant to procedures adopted by the Company) at the Separation Date and if any portion of the payments or benefits

to be received by the Executive would be considered deferred compensation under Section 409A of the Code, amounts that would otherwise be payable pursuant to this Agreement during the six-month period immediately following the Executive's Separation Date (the "**Delayed Payments**") and benefits that would otherwise be provided pursuant to this Agreement (the "**Delayed Benefits**") during the six-month period immediately following the Executive's Separation Date (such period, the "**Delay Period**") shall instead be paid or made available on the earlier of (i) the first business day of the seventh (7^{th}) month following the Separation Date or (ii) the Executive's death (the applicable date, the "**Permissible Payment Date**"). The Company shall also reimburse the Executive for the after-tax cost incurred by the Executive in independently obtaining any Delayed Benefits (the "**Additional Delayed Payments**").

7.2 With respect to any amount of expenses eligible for reimbursement under Sections 3.1, 3.3 and 9.1, such expenses shall be reimbursed by the Company within thirty (30) calendar days following the date on which the Company receives the applicable invoice from the Executive but in no event later than December 31 of the year following the year in which the Executive incurs the related expenses; provided, that with respect to reimbursement relating to the Additional Delayed Payments, such reimbursement shall be made on the Permissible Payment Date. In no event shall the reimbursements or in-kind benefits to be provided by the Company in one taxable year affect the amount of reimbursements or in-kind benefits to be provided in any other taxable year, nor shall the Executive's right to reimbursement or in-kind benefits be subject to liquidation or exchange for another benefit.

7.3 It is the intention of the parties that payments or benefits payable under this Agreement not be subject to the additional tax imposed pursuant to Section 409A of the Code. To the extent such potential payments or benefits could become subject to such Section, the Company may amend this Agreement with the goal of giving the Covered Executive the economic benefits described herein in a manner that does not result in such tax being imposed.

7.4 For purposes of Section 409A of the Code, an Executive's right to receive any "installment" payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments.

8.0 Miscellaneous

8.1 This Agreement is binding on, and shall inure to the benefit of, the Parties hereto and their heirs, representatives, transferees, principals, executors, administrators, predecessors, successors, parents, subsidiaries, affiliates, assigns, agents, directors, officers and Executives. In the event that Executive dies before payment of all amounts described in this Agreement is made, and the Agreement has been executed and not revoked, the Company agrees to pay unpaid amounts to Executive's estate.

8.2 This Agreement constitutes the complete agreement between, and contains all of the promises and undertakings by the Parties. Executive agrees that the only considerations for signing this Agreement are the terms stated herein above and that no other representations, promises, or assurances of any kind have been made to him by the Company, its attorneys, or any other person as an inducement to sign this Agreement. Any and all prior agreements, representations, negotiations and understandings among the Parties, oral or written, express or implied, with respect to the subject matter hereof are hereby superseded and merged herein, except to the extent provided in Section 10 of the Employment Agreement, and provided that this Agreement supplements and does not amend, alter, void, replace, or otherwise override any confidentiality, non-solicitation, non-compete agreement executed by Executive that is part of any equity award agreement executed by the Executive. To be clear and to avoid any doubt, the parties expressly agree that any confidentiality, non-solicitation, non-compete agreement

executed by Executive that is part of any equity award agreement executed by the Executive remains in full force and effect and is not modified in any way by this Agreement.

8.3 This Agreement may not be revised or modified without the mutual written consent of the Parties.

8.4 The Parties acknowledge and agree that they have each had sufficient time to consider this Agreement and consult with legal counsel of their choosing concerning its meaning prior to entering into this Agreement. In entering into this Agreement, no Party has relied on any representations or warranties of any other Party other than the representations or warranties expressly set forth in this Agreement. Executive acknowledges that he has read this Agreement and that he possesses sufficient education and experience to fully understand the terms of this Agreement as it has been written, the legal and binding effect of this Agreement, and the exchange of benefits and payments for promises hereunder, and that he has had a full opportunity to discuss or ask questions about all such terms.

8.5 Except as otherwise provided in this Section, if any provision of this Agreement shall be determined to be invalid or unenforceable by a court of competent jurisdiction, that part shall be ineffective to the extent of such invalidity or unenforceability only, without in any way affecting the remaining parts of said provision or the remaining provisions of this Agreement; provided that, if any provision contained in this Agreement shall be adjudicated to be invalid or unenforceable because such provision is held to be excessively broad as to duration, geographic scope, activity or subject, such provision shall be deemed amended by limiting and reducing it so as to be valid and enforceable to the maximum extent compatible with the applicable laws of such jurisdiction, and such amendment only to apply with respect to the operation of such provision in the applicable jurisdiction in which the adjudication is made. If Section 6.0 or any of its sub-parts of this Agreement is deemed invalid or unenforceable, in whole or in part, by a court of competent jurisdiction, this entire Agreement shall be null and void, and any consideration paid hereunder shall be repaid immediately by Executive upon receipt of notice thereof.

8.6 Executive agrees that because he has rendered services of a special, unique, and extraordinary character, damages may not be an adequate or reasonable remedy for breach of his obligations under this Agreement. Accordingly, in the event of a breach or threatened breach by Executive of the provisions of this Agreement, the Company shall be entitled to (a) an injunction restraining Executive from violating the terms hereof, or from rendering services to any person, firm, corporation, association, or other entity to which any confidential information, trade secrets, or proprietary materials of the Company have been disclosed or are threatened to be disclosed, or for which Executive is working or rendering services, or threatens to work or render services (b) all such other remedies available at law or in equity, including without limitation the recovery of damages, reasonable attorneys' fees and costs, and (c) withhold any further payments under this Agreement which become due and owing after the occurrence of said violation, breach or threatened breach. Nothing herein shall be construed as prohibiting the Company from pursuing any other remedies available to it for such breach or threatened breach of this Agreement, including the right to terminate any payments to Executive pursuant to this Agreement or the recovery of damages from Executive.

8.7 Such notice and any other notices required under this Agreement shall be served upon the Company by certified mail, return receipt requested, or by expressed delivery by a nationally recognized delivery service company such as Federal Express as follows:

If to the Company:
Sandra D. van der Vaart
Executive Vice President and Chief Legal Officer
Labcorp
531 S. Spring Street
Burlington, NC 27215
If to the Executive:
Tom Pike
At last address shown on payroll records of the Company

8.8 Consistent with the requirements of this Section, each party shall notify the other party of any change of address for the receipt of a notice under this Agreement.

8.9 This Agreement shall be construed in accordance with and governed by the laws, except choice of law provisions, of the State of Delaware and shall govern to the exclusion of the laws of any other forum. The parties further agree that any action, special proceeding or other proceeding with respect to this Agreement shall be brought exclusively in the federal or state courts of the State of Delaware. ***Executive and Company irrevocably consent to the jurisdiction of the Federal and State courts of Delaware and that Executive hereby consents and submits to personal jurisdiction in the State of Delaware. Executive and Company irrevocably waive any objection, including an objection or defense based on lack of personal jurisdiction, improper venue or forum non-conveniens which either may now or hereafter have to the bringing of any action or proceeding in connection with this Agreement. Executive acknowledges and recognizes that in the event that he has breached this Agreement, the Company may initiate a lawsuit against him in North Carolina, that Executive waives his right to have that lawsuit be brought in a court located closer to where he may reside, and that Executive will be required to travel to and defend himself in Delaware.***

8.10 The Effective Date of this Agreement shall be either (a) the Separation Date or (b) the day after expiration of the seven (7) day revocation period set forth in Section 4.4 of this Agreement, whichever date is later.

8.11 If you agree with the foregoing, please sign below and return two (2) originals to me. You should retain one (1) original copy of this Agreement for your records.

Sincerely,

[Name]
[Title]

Agreed to and accepted:

_____
Thomas H. Pike

Date: _____

EXHIBIT 2-B

Spinco Release Agreement

Tom Pike
Address
Address

Re: Employment Separation Agreement and General Release

Dear Tom,

On behalf of [Spinco] (the "**Company**"), I write to offer you (the "**Employee**") the following Employment Separation Agreement and General Release (the "Agreement").

1.0 Separation of Employment

1.1 Effective _____, 20__ (the "**Separation Date**"), Employee's employment with the Company will terminate; he shall perform no further services for the Company and his status as an employee and Officer of the Company shall cease on that date. [Employee also hereby resigns from all positions that Employee holds as an officer or member of the Board of Directors of the Company (or a committee thereof) and as an officer or member of the board of directors (or a committee thereof) of any Company subsidiaries or affiliates.][Employee also hereby resigns from all positions that Employee holds as an officer of the Company and as an officer or member of the board of directors (or a committee thereof) of any Company subsidiaries or affiliates, provided that Employee and the Company agree that Employee will continue to serve as a member of the Board of Directors of the Company as of the Separation Date, subject to the terms and conditions of the Company's by-laws.] Employee and the Company further agree that the relationship created by this Agreement is purely contractual and that no employer-employee relationship is intended, nor shall such be inferred from the performance of obligations under this Agreement. Employee further agrees that any payments and/or benefits payable pursuant to this Agreement are contingent upon Employee's execution and fulfillment of his obligations under this Agreement.

2.0 Separation Pay

2.1 In consideration for the covenants, promises and agreements herein and in particular Employee's release of claims as well as covenants not to solicit, not to compete and not to disclose confidential information, the Company will pay Employee a severance in the total amount of $_____ less applicable taxes and withholdings, which represents [two][three] times the sum of Employee's Base Salary of $_____ plus $_____, representing the Employee's Average Incentive Bonus as defined under the terms of the Executive Employment Agreement entered into as of January 4, 2023 between Employee and the Company (the "**Employment Agreement**"). The severance shall be paid in two installments, with the first installment of $_____, less taxes and withholding, made payable within 30 days following the date of this Agreement and the second installment of $_____, less taxes and withholding, made payable 30 days following the one-year anniversary of date of this Agreement.

2.2 In addition to the compensation payable under Section 2.1 of the Agreement, Employee shall be eligible to receive a prorated amount equal to the earned portion of the management incentive bonus that he would have received under the Company's management

incentive bonus program had he remained eligible for said bonus. The additional payment shall be made at the time that bonuses are normally paid under the MIB Plan but no later than March 15, 20___.

3.0 Benefits

3.1 Employee, his spouse, and his other dependent(s) may be eligible to elect continued health care coverage under the welfare plans sponsored by the Company, as provided in the applicable provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"), which provides generally that certain employees and their dependents may elect to continue coverage under employer-sponsored group health plans for a period of at least eighteen (18) months under certain conditions, including payment by Employee of the "**Applicable Premium**" as defined in Section 604 of the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. §§ 1001 *et seq*. ("**ERISA**").

3.2 Employee shall be eligible for such benefits under the Company's existing qualified plans as are provided under the circumstances (taking into account separation of employment as of the Separation Date) pursuant to the terms of the plan documents governing each of these plans. Except as otherwise provided herein or in the terms of any documents governing any employee benefit plan maintained by the Company, Employee will cease to be a participant in and will no longer have any coverage or entitlement to benefits, accruals, or contributions under any of the Company's employee benefit plans effective upon the separation of his employment. Employee agrees that the payments made to him by the Company pursuant to this Agreement do not constitute compensation for purposes of calculating the amount of benefits Employee may be entitled to under the terms of any pension plan or for the purposes of accruing any benefit, receiving any allocation of any contribution, or having the right to defer any income in any profit-sharing or other employee pension benefit plan, including any cash or deferred arrangement.

3.3 Employee also understands that his grants of performance shares, restricted stock units and stock options are governed by the terms and conditions of the Company's 2016 Omnibus Incentive Plan and applicable grant agreements and that this Agreement does not in any modify, change, alter or amend the terms and conditions of those grants.

3.4 Employee shall submit for reimbursement any and all unpaid business expenses to the Company within 30 days of the Separation Date. The Company will reimburse said expenses provided that they are consistent with, and reimbursable under, the Company's travel and entertainment expense policy. The Company will not be responsible for reimbursing the Employee for any business expenses incurred during employment but submitted after said 30-day period.

3.5 This Agreement shall never be construed as an admission by the Company of any liability, wrongdoing or responsibility on its part or on the part of any other person or entity described in Section 4.1 of this Agreement. The Company expressly denies any such liability, wrongdoing or responsibility.

4.0 Release

4.1 Employee, on behalf of himself and his heirs, assigns, transferees and representatives, hereby releases and forever discharges the Company, and its predecessors, successors, parents, subsidiaries, affiliates, assigns, representatives and agents, as well as all of their present and former directors, officers, employees, agents, shareholders, representatives, attorneys and insurers (collectively, the "**Releasees**"), from any and all claims, causes of actions,

demands, damages or liability of any nature whatsoever, known or unknown, which Employee has or may have which arise out of his employment or cessation of employment with the Company, or which concern or relate in any way to any acts or omissions done or occurring prior to and including the date of this Agreement, including, but not limited to, claims arising under the Fair Labor Standards Act, 29 U.S.C. § 201 *et seq*.; the Equal Pay Act , 29 U.S.C. § 206(a) and interpretive regulations; Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e *et seq*.; 42 U.S.C. § 1981 *et seq*.; the Americans with Disabilities Act, 42 U.S.C. § 12101 *et seq*.; the Family and Medical Leave Act, 29 U.S.C. § 2601 *et seq.*; the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. § 1001 *et seq*.; the Worker Adjustment and Retraining Notification Act, 29 U.S.C. §§ 2101 *et seq*.; the Age Discrimination in Employment Act, as amended, 29 U.S.C. §§ 621 *et seq*.; any and all claims for wrongful termination and/or retaliation; claims for breach of contract, express or implied; claims for breach of the covenant of good faith and fair dealing; claims for compensation, including but not limited to wages, bonuses, or commissions except as otherwise contained herein; claims for benefits or fringe benefits, including, but not limited to, claims for severance pay and/or termination pay, except as otherwise contained herein; claims for, or relating to stock or stock options (except that nothing in this Agreement shall prohibit Employee from exercising any vested stock options or affect Employee's claims to vested benefits in the Company's retirement plans, if any, in accordance with the terms of the applicable stock option agreement(s) and applicable plan documents); claims for unaccrued vacation pay; claims arising in tort, including, but not limited to, claims for invasion of privacy, intentional infliction of emotional distress and defamation; claims for quantum meruit and/or unjust enrichment; and any and all other claims arising under any other federal, state, local or foreign laws (including securities laws), as well as any and all other common law legal or equitable claims.

4.2 Employee represents that he has not initiated any action or charge against any of the Releasees with any Federal, State or local court or administrative agency. If such an action or charge has been filed by Employee, or on Employee's behalf, he will use his best efforts to cause it immediately to be withdrawn and dismissed with prejudice. Failure to cause the withdrawal and dismissal with prejudice of any action or charge shall render this Agreement null and void, and any consideration paid hereunder shall be repaid immediately by the Employee upon receipt of such notice.

4.3 Employee further agrees that he will not institute any lawsuits, either individually or as a class representative or member, against any of the Releasees as to any matter based upon, arising from or relating to his employment relationship with the Company, from the beginning of time to the date of execution of this Agreement. Employee knowingly and intentionally waives any rights to any additional recovery that might be sought on his behalf by any other person, entity, local, state or federal government or agency thereof, including specifically and without limitation, the North Carolina Department of Labor, the United States Department of Labor, or the Equal Employment Opportunity Commission.

4.4 Employee is hereby advised that: (i) he should consult with an attorney (at his own expense) prior to executing this Agreement; (ii) he is waiving, among other things, any age discrimination claims under the Age Discrimination in Employment Act, provided, however, he is not waiving any claims that may arise after the date this Agreement is executed; (iii) he has twenty-one (21) days within which to consider the execution of this Agreement, before signing it; and (iv) for a period of seven (7) days following the execution of this Agreement, he may revoke this Agreement by delivering written notice (by the close of business on the seventh day) to the Company in accordance with Section 10.7 herein.

4.5 Notwithstanding the provisions of Section 4.1, said release does not apply to any and all statutory or other claims (a) that are prohibited from waiver by Federal, State or local law,

(b) for enforcement of any covenant under this Agreement, (c) for any claim for any vested, accrued benefits to which Employee is (or becomes) otherwise entitled pursuant to the terms and conditions of any of the benefit plans in which Employee participated prior to the Separation Date (but not any incentive or severance plans except as provided in Section 2 or 3, above) or any other benefit due by operation of law; (d) for unemployment insurance benefits; (e) for indemnification under applicable statutory, or common law or any insurance, charter, or bylaws of the Company or any of its affiliates, including under the Employment Agreement, it being understood and agreed that this Agreement does not create or expand upon any such rights, (if any) to indemnification; or (f) for any federal securities law claim asserted solely in Employee's capacity as a shareholder of the Company, that does not concern or relate in any way to Employee's employment or other service with the Company or any of its affiliates.

4.6 It is specifically understood and agreed that the payments set forth above in Sections 2.0 and 3.0 (including the sub-parts thereto), and each of them, are good and adequate consideration to support the waivers, releases and obligations contained herein, including, without limitation, Sections 5.0, 6.0, 7.0, and 8.0, and their respective sub-parts, and that all of the payments set forth Sections 2.0 and 3.0 (including the sub-parts thereto) are of value in addition to anything to which Employee already was entitled prior to the execution of this Agreement.

5.0 Confidentiality

5.1 The parties acknowledge that during the course of Employee's employment with the Company, he was given access, on a confidential basis, to Confidential Information which the Company has for years collected, developed, and/or discovered through a significant amount of effort and at great expense. The parties acknowledge that the Confidential Information of the Company is not generally known or easily obtained in the Company's trade, industry, business, or otherwise and that maintaining the secrecy of the Confidential Information is extremely important to the Company's ability to compete with its competitors.

5.2 Employee agrees that for a period of seven (7) years from the date of this Agreement, Employee shall not, without the prior written consent of the Company, divulge to any third party or use for his own benefit, or for any purpose other than the exclusive benefit of the Company, any Confidential Information of the Company; provided however, that nothing herein contained shall restrict Employee's ability to make such disclosures as such disclosures may be required by law; and further providing that nothing herein contained shall restrict Employee from divulging information that is readily available to the general public as long as such information did not become available to the general public as a direct or indirect result of Employee's breach of this section of this Agreement.

5.3 The term "**Confidential Information**" in this Agreement shall mean information that is not readily and easily available to the public or to persons in the same business, trade, or industry of the Company, and that concerns the Company's prices, pricing methods, costs, profits, profit margins, suppliers, methods, procedures, processes or combinations or applications thereof developed in, by, or for the Company's business, research and development projects, data, business strategies, marketing strategies, sales techniques, customer lists, customer information, or any other information concerning the Company or its business that is not readily and easily available to the public or to those persons in the same business, trade, or industry of the Company. The term "customer information" as used in this Agreement shall mean information that is not readily and easily available to the public or to those persons in the same business, trade, or industry and that concerns the course of dealing between the Company and its customers or potential customers solicited by the Company, customer preferences, particular contracts or locations of customers, negotiations with customers, and any other information

concerning customers obtained by the Company that is not readily and easily available to the public or to those in the business, trade, or industry of the Company.

5.4 Employee acknowledges that all information, the disclosure of which is prohibited hereby, is of a confidential and proprietary character and of great value to the Company, and upon the execution of this Agreement (or as soon thereafter as is reasonably practicable), Employee shall forthwith deliver up to the Company all records, memoranda, data, and documents of any description that refer to or relate in any way to such information and shall return to the Company any of its equipment and property which may then be in Employee's possession or under Employee's personal control.

5.5 Employee hereby agrees that any failure to fully and completely comply with this provision shall entitle the Company to seek damages for a demonstrated breach of the confidentiality provision, to include recoupment of monies paid hereunder.

5.6 Notwithstanding the restrictions set forth in Section 5.0 and its subparts, Employee may disclose information protected under Section 5.0 and its subparts if and only if such is (i) lawfully required by any government agency; (ii) otherwise required to be disclosed by law (including legally required financial reporting) and/or by court order; (iii) necessary in any legal proceeding in order to enforce any provision of this Agreement or (iv) made to the Securities Exchange Commission regarding security law issues. Employee further agrees that he will notify the Company in writing within five (5) calendar days of the receipt of any subpoena, court order, administrative order or other legal process requiring disclosure of information subject to Section 5.0 and sub-parts thereto. Employee may also disclose the contents of Section 6.0 and its sub-parts and only those contents to any subsequent and/or prospective employer.

6.0 Non-Solicitation/Non-Compete

6.1 For a period of twenty-four (24) months following the separation of Employee's employment for any reason (the "**Restriction Period**"), Employee shall not become an owner in, shareholder with more than a 2% equity interest in, investor in, or an employee, contractor, consultant, advisor, representative, officer, director, or agent of, a trade or business that offers products and services that are the same or substantially similar to the products and services provided by the Company in any geographic market in which the Company conducts business ("**Competitor**"); provided, however, that the duties and responsibilities of said employment or engagement as an owner in, shareholder with more than 2% equity interest in, investor in, contractor, consultant, advisor, representative, officer, director or agent are (i) the same, similar, or substantially related to your current duties and responsibilities or duties or responsibilities performed by Employee while employed by the Company at any time during a six (6) month period prior to Employee's separation of employment and (ii) related to or concerning the Competitor's business activities in the Restricted Territory. The parties agree and affirm that their intention with respect to Paragraph 6.1 is that Employee's activities shall be limited only for the twenty-four (24) month period after the separation of employment for any reason. The provisions calling for a "look back" of six (6) calendar months prior to the separation of employment are intended solely as a means of identifying the duties and responsibilities that will define the restricted activities covered by Paragraph 6.1 and are not intended to nor shall they, under any circumstances, be construed to define the length or term of any such restriction. For purposes of Paragraph 6.1, the term "Restricted Territory" means the geographic area that is part of your current duties and responsibilities or the geographic area that was part of your duties and responsibilities within a period of six (6) month period prior to the date of your termination of employment. If a court of competent jurisdiction determines that the Restricted Territory as defined herein is too restrictive, then the parties agree that said court may reduce or limit the

Restricted Territory to the largest acceptable area so as to enable the enforcement of Paragraph 6.1.

6.2 For a period of twenty-four (24) months following the Separation Date, Employee will not, either directly or indirectly, or on behalf of any person, business, partnership, or other entity, call upon, contact, or solicit any customer or customer prospect of the Company, or any representative of the same, with a view toward the sale or providing of any service or product competitive with the Company's Business; provided, however, the restrictions set forth in this Section shall apply only to customers or prospects of the Company, or representatives of the same, with which during the past 12 month period the Employee had contact or about whom Employee received Confidential Information as part of his duties and responsibilities while employed with the Company within the 12 month period prior to his separation of employment. The parties agree and affirm that their intention with respect to Section 6.2 of this Agreement is that Employee's activities be limited only for a twenty-four (24) month period after the Separation Date for any reason. The provisions calling for a "look back" of 12 calendar months prior to the Separation Date are intended solely as a means of identifying the clients to which such restrictions apply and are not intended to nor shall they, under any circumstances, be construed to define the length or term of any such restriction.

6.3 For a period of twenty-four (24) months following the Separation Date, Employee shall not directly or indirectly through a subordinate, co-worker, peer, or any other person or entity contact, solicit, encourage or induce any officer, director or employee of the Company to work for or provide services to Employee and/or any other person or entity.

6.4 Employee acknowledges and agrees that the foregoing restrictions are necessary for the reasonable and proper protection of the Company; are reasonable in respect to subject matter, length of time, geographic scope, customer scope, and scope of activity to be restrained; and are not unduly harsh and oppressive so as to deprive Employee of his livelihood or to unduly restrict Employee's opportunity to earn a living after separation of Employee's employment with the Company. Employee further acknowledges and agrees that if any restrictions set forth in this Section are found by any court of competent jurisdiction to be unenforceable or otherwise against public policy, the restriction shall be interpreted to extend only over the maximum period of time or other restriction as to which it would otherwise be enforceable.

6.5 Employee acknowledges and agrees that because the violation, breach, or threatened breach of this Section and its sub-parts would result in immediate and irreparable injury to the Company, the Company shall be entitled, without limitation of remedy, to (a) temporary and permanent injunctive and other equitable relief restraining Employee from activities constituting a violation, breach or threatened breach of this Section and its sub-parts to the fullest extent allowed by law; (b) all such other remedies available at law or in equity, including without limitation the recovery of damages, reasonable attorneys' fees and costs; and (c) withhold any further rights, payments or benefits under this Agreement which become due and owing after the occurrence of said violation, breach, or threatened breach, including, without limitation, any rights or claims under Sections 2.0 and 3.0 and the sub-parts thereto.

7.0 <u>Return of Company Property</u>

7.1 Employee agrees that within 10 days after execution of this Agreement, he will return any and all Company documents and any copies thereof, in any form whatsoever, including computer records or files, containing secret, confidential and/or proprietary information or ideas, and any other Company property (including, but not limited to, any cell phones, pagers and/or computer equipment) in Employee's possession or control, except that Employee may keep possession, custody and control of his currently issued Company laptop.

8.0 Duty to Cooperate and of Loyalty/Nondisparagement

8.1 Without limitation as to time, Employee agrees to cooperate and make all reasonable and lawful efforts to assist the Company in addressing any issues which may arise concerning any matter with which he was involved during his employment with the Company, including, but not limited to cooperating in any litigation arising therefrom. The Company shall reimburse Employee at a fair and reasonable rate for services provided by the Employee to the Company in connection with services provided under this provision.

8.2 Employee will not (except as required by law) communicate to anyone, whether by word or deed, whether directly or indirectly through an intermediary, and whether expressly or by suggestion or innuendo, any statement, whether characterized as one of fact or opinion, that is intended to cause or that reasonably would be expected to cause any person to whom it is communicated to have (1) a lowered opinion of the Company or any affiliates, including a lowered opinion of any products manufactured, sold or used by, or services offered or rendered by the Company or its affiliates; and (2) a lowered opinion of the Company's creditworthiness or business prospects. Employee's obligations in this regard extends to the reputation of the Company and any of its officers and directors. To the extent permitted by law, the Company agrees (i) to instruct, as of the Separation Date, its then current Section 16 officers and directors not to publish or communicate to any person or entity or in any public forum (including social media) at any time any defamatory or disparaging remarks, comments, or statements concerning Employee and (ii) not to disparage or criticize Employee in authorized corporate communications.

9.0 Section 409A of the Code

9.1 Notwithstanding any provisions of this Agreement to the contrary, if the Employee is a "specified employee" (within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**") and determined pursuant to procedures adopted by the Company) at the Separation Date and if any portion of the payments or benefits to be received by the Employee would be considered deferred compensation under Section 409A of the Code, amounts that would otherwise be payable pursuant to this Agreement during the six-month period immediately following the Employee's Separation Date (the "**Delayed Payments**") and benefits that would otherwise be provided pursuant to this Agreement (the "**Delayed Benefits**") during the six-month period immediately following the Employee's Separation Date (such period, the "**Delay Period**") shall instead be paid or made available on the earlier of (i) the first business day of the seventh (7^{th}) month following the Separation Date or (ii) the Employee's death (the applicable date, the "**Permissible Payment Date**"). The Company shall also reimburse the Employee for the after-tax cost incurred by the Employee in independently obtaining any Delayed Benefits (the "**Additional Delayed Payments**").

9.2 With respect to any amount of expenses eligible for reimbursement under Sections 3.1, 3.3 and 9.1, such expenses shall be reimbursed by the Company within thirty (30) calendar days following the date on which the Company receives the applicable invoice from the Employee but in no event later than December 31 of the year following the year in which the Employee incurs the related expenses; provided, that with respect to reimbursement relating to the Additional Delayed Payments, such reimbursement shall be made on the Permissible Payment Date. In no event shall the reimbursements or in-kind benefits to be provided by the Company in one taxable year affect the amount of reimbursements or in-kind benefits to be provided in any other taxable year, nor shall the Employee's right to reimbursement or in-kind benefits be subject to liquidation or exchange for another benefit.

9.3 It is the intention of the parties that payments or benefits payable under this Agreement not be subject to the additional tax imposed pursuant to Section 409A of the Code. To the extent such potential payments or benefits could become subject to such Section, the Company may amend this Agreement with the goal of giving the Covered Employee the economic benefits described herein in a manner that does not result in such tax being imposed.

9.4 For purposes of Section 409A of the Code, an Employee's right to receive any "installment" payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments.

10.0 Miscellaneous

10.1 This Agreement is binding on, and shall inure to the benefit of, the Parties hereto and their heirs, representatives, transferees, principals, executors, administrators, predecessors, successors, parents, subsidiaries, affiliates, assigns, agents, directors, officers and employees. In the event that Employee dies before payment of all amounts described in this Agreement is made, and the Agreement has been executed and not revoked, the Company agrees to pay unpaid amounts to Employee's estate.

10.2 This Agreement constitutes the complete agreement between, and contains all of the promises and undertakings by the Parties. Employee agrees that the only considerations for signing this Agreement are the terms stated herein above and that no other representations, promises, or assurances of any kind have been made to him by the Company, its attorneys, or any other person as an inducement to sign this Agreement. Any and all prior agreements, representations, negotiations and understandings among the Parties, oral or written, express or implied, with respect to the subject matter hereof are hereby superseded and merged herein, except to the extent provided in Section 10 of the Employment Agreement, and provided that this Agreement supplements and does not amend, alter, void, replace, or otherwise override any confidentiality, non-solicitation, non-compete agreement executed by Employee that is part of any equity award agreement executed by the Employee. To be clear and to avoid any doubt, the parties expressly agree that any confidentiality, non-solicitation, non-compete agreement executed by Employee that is part of any equity award agreement executed by the Employee remains in full force and effect and is not modified in any way by this Agreement.

10.3 This Agreement may not be revised or modified without the mutual written consent of the Parties.

10.4 The Parties acknowledge and agree that they have each had sufficient time to consider this Agreement and consult with legal counsel of their choosing concerning its meaning prior to entering into this Agreement. In entering into this Agreement, no Party has relied on any representations or warranties of any other Party other than the representations or warranties expressly set forth in this Agreement. Employee acknowledges that he has read this Agreement and that he possesses sufficient education and experience to fully understand the terms of this Agreement as it has been written, the legal and binding effect of this Agreement, and the exchange of benefits and payments for promises hereunder, and that he has had a full opportunity to discuss or ask questions about all such terms.

10.5 Except as otherwise provided in this Section, if any provision of this Agreement shall be determined to be invalid or unenforceable by a court of competent jurisdiction, that part shall be ineffective to the extent of such invalidity or unenforceability only, without in any way affecting the remaining parts of said provision or the remaining provisions of this Agreement; provided that, if any provision contained in this Agreement shall be adjudicated to be invalid or unenforceable because such provision is held to be excessively broad as to duration, geographic

scope, activity or subject, such provision shall be deemed amended by limiting and reducing it so as to be valid and enforceable to the maximum extent compatible with the applicable laws of such jurisdiction, and such amendment only to apply with respect to the operation of such provision in the applicable jurisdiction in which the adjudication is made. If Section 6.0 or any of its sub-parts of this Agreement is deemed invalid or unenforceable, in whole or in part, by a court of competent jurisdiction, this entire Agreement shall be null and void, and any consideration paid hereunder shall be repaid immediately by Employee upon receipt of notice thereof.

10.6 Employee agrees that because he has rendered services of a special, unique, and extraordinary character, damages may not be an adequate or reasonable remedy for breach of his obligations under this Agreement. Accordingly, in the event of a breach or threatened breach by Employee of the provisions of this Agreement, the Company shall be entitled to (a) an injunction restraining Employee from violating the terms hereof, or from rendering services to any person, firm, corporation, association, or other entity to which any confidential information, trade secrets, or proprietary materials of the Company have been disclosed or are threatened to be disclosed, or for which Employee is working or rendering services, or threatens to work or render services (b) all such other remedies available at law or in equity, including without limitation the recovery of damages, reasonable attorneys' fees and costs, and (c) withhold any further payments under this Agreement which become due and owing after the occurrence of said violation, breach or threatened breach. Nothing herein shall be construed as prohibiting the Company from pursuing any other remedies available to it for such breach or threatened breach of this Agreement, including the right to terminate any payments to Employee pursuant to this Agreement or the recovery of damages from Employee.

10.7 Such notice and any other notices required under this Agreement shall be served upon the Company by certified mail, return receipt requested, or by expressed delivery by a nationally recognized delivery service company such as Federal Express as follows:

If to the Company:

With a copy to:

If to the Employee:

Tom Pike
At last address shown on payroll records of the Company

10.8 Consistent with the requirements of this Section, each party shall notify the other party of any change of address for the receipt of a notice under this Agreement.

10.9 This Agreement shall be construed in accordance with and governed by the laws, except choice of law provisions, of the State of Delaware and shall govern to the exclusion of the laws of any other forum. The parties further agree that any action, special proceeding or other proceeding with respect to this Agreement shall be brought exclusively in the federal or state courts of the State of Delaware. ***Employee and Company irrevocably consent to the jurisdiction of the Federal and State courts of Delaware and that Employee hereby consents and submits to personal jurisdiction in the State of Delaware. Employee and Company irrevocably waive any objection, including an objection or defense based on lack of personal jurisdiction,***

improper venue or forum non-conveniens which either may now or hereafter have to the bringing of any action or proceeding in connection with this Agreement. Employee acknowledges and recognizes that in the event that he has breached this Agreement, the Company may initiate a lawsuit against him in North Carolina, that Employee waives his right to have that lawsuit be brought in a court located closer to where he may reside, and that Employee will be required to travel to and defend himself in Delaware.

10.10 The Effective Date of this Agreement shall be either (a) the Separation Date or (b) the day after expiration of the seven (7) day revocation period set forth in Section 4.4 of this Agreement, whichever date is later.

10.11 If you agree with the foregoing, please sign below and return two (2) originals to me. You should retain one (1) original copy of this Agreement for your records.

Sincerely,

[Name]
[Title]

Agreed to and accepted:

_____
Thomas H. Pike

Date: _____

EXHIBIT 3

Confidentiality, Non-Competition and Non-Solicitation Agreement

CONFIDENTIALITY/NON-COMPETITION/NON-SOLICITATION AGREEMENT

During the course of your employment with Laboratory Corporation of America Holdings ("Labcorp") or its subsidiaries, divisions, or affiliates, you will have access to, or will acquire, highly confidential information and trade secrets concerning Labcorp's and the Employer Company's business, including, but not limited to, customer lists, pricing, methods of pricing, marketing practices, advertising strategy, methods of operation and the needs and requirements of Employer Company's and/or Labcorp's customers. In addition, you will receive from Labcorp or Employer Company and/or be exposed to Labcorp's or the Employer Company's valuable technical and marketing information that will materially aid you in the performance of your duties on behalf of the Employer Company, and assist you and/or the Employer Company in furthering the Employer Company's business interests, including establishing and retaining the Employer Company's customers. The support furnished to you by the Employer Company will enable you to increase the value of the Employer Company's goodwill with the Employer Company's customers, which is a valuable asset of the Employer Company.

As indicated by the foregoing, the services you will be performing for the Employer Company will be of a special, unique and extraordinary nature. Accordingly, in consideration of Labcorp extending to you, as applicable, certain incentive compensation, as set forth in the Agreement(s) to which this Exhibit is made a part thereof and which governs the grant of said benefits, any and all of which benefits otherwise would not be provided to you absent your agreement to be bound by the terms of this Confidentiality/Non-Competition/Non-Solicitation Agreement ("Restrictive Covenant Agreement"), you agree that:

1. **Property Rights and Workproduct**. All ideas, inventions, discoveries, computer programs, developments, standard operating procedures, designs, improvements, formulae, processes, techniques, programs, know-how, data, business plans, reports, presentations, or any other work product of possible technical or commercial importance relating to the Employer Company's business or anticipated business (hereafter collectively referred to as "Work Product") created or developed by you as part of your employment with the Employer Company shall be deemed to be work made for hire and that the Employer Company shall be the sole owner of all rights, including copyright, in and to the Work Product. If such Work Product, or any part thereof, does not qualify as work made for hire, you agree to assign, and hereby assign, to the Employer Company for the full term of the copyright and all extensions thereof all of your right, title and interest in and to the Work Product. The Employer Company may, at its own expense, prepare and process applications for copyrights, trademarks, service marks, or letter patents, or may take other actions that it deems necessary or appropriate to protect itself with respect to the aforementioned items. You shall cooperate with the Employer Company in enforcing and protecting its rights by executing such applications or other documentation prepared for the protection of such interests and assigning them to the Employer Company, as well as executing all papers pertaining to said inventions, documents, marks, improvements, discoveries, trade secrets, applications and protective actions.

2. **Confidentiality**. You agree that during the term of your employment and for any time after your termination, you shall not, without the prior written consent of the Employer Company, divulge to any third party or use for your own benefit, or for any purpose other than the exclusive benefit of the Employer Company, any Confidential Information of the Employer Company, Labcorp and its subsidiaries, divisions, or affiliates. In this Restrictive Covenant Agreement, Confidential Information shall mean information that concerns the Employer Company's, Labcorp's and its subsidiaries', divisions', or affiliates' prices, pricing methods, costs, profits, profit margins, suppliers, methods, procedures, processes or combinations or applications thereof developed in, by, or for the Employer Company's business, research and development projects, data, business strategies, marketing strategies, sales techniques, customer lists, customer information, financial information, or any other information concerning the Employer Company or its business that is not readily and easily available to the public or to those persons in the same business, trade, or industry of the Employer Company. The term "customer information" as used in this Restrictive Covenant Agreement shall mean information that concerns the course of dealing between the Employer Company and its customers or potential customers solicited by the Employer Company, customer preferences, particular contracts or locations of customers or potential customers, negotiations with customers, and any other information concerning customers or potential customers obtained by the Employer Company that is not readily and easily available to the public or to those in the business, trade, or industry of the Employer Company. Your obligation not to disclose Confidential Information does not prohibit you from (a) disclosing the information to a government agency if you are required to produce the information pursuant to a subpoena, court order, administrative order or other legal process, (b) discussing terms and conditions of employment or engaging in other activities protected by the National Labor Relations Act, (c) communicating with the Securities and Exchange Commission about securities law violations, or (d) communicating with any other government entity or agency if such communication is to report a violation of applicable law. However, you shall notify the Employer Company in writing within three (3) calendar days of the receipt of any subpoena, court order, administrative order or other legal process requiring disclosure of Confidential Information and shall provide the Employer Company with a copy of said subpoena, court order, administrative order or other legal process.

3. **Non-Solicitation of Labcorp Employees**. During the term of your employment and for a period of twelve (12) months following the term of your employment, you shall not, directly or indirectly through a subordinate, co-worker, peer, or any other person or entity contact, solicit, encourage or induce any officer, director or employee of Labcorp or its subsidiaries and affiliates to work for or provide services to you and/or any other person or entity that either (i) directly provides products or services that compete with the products or services provided by the Employer Company in a geographic market serviced by the Employer Company or (ii) supplies, services, advises or consults with a person, trade or business that products or services that compete with the products or services provided by the Employer Company in a geographic market serviced by the Employer Company.

4. **Non-Solicitation of Customers.** During your employment and for a period of twelve (12) months following the voluntary or involuntary termination of your employment, you will not either directly or indirectly through a subordinate, co-worker, peer or other person or entity, call upon, contact, or solicit or attempt to call upon, contact or solicit any customer or customer prospect of the Employer Company, with a view toward the sale or providing of any service or product competitive with the products and services offered by the Employer Company; provided, however, the restrictions set forth in Paragraph 4 shall apply only to customers or prospects of the Employer Company, or representatives of the same, with which you had contact during the last twenty-four (24) months of your employment with the Employer Company. The parties agree and affirm that their intention with respect to Paragraph 4 is that your activities be limited only for a twelve (12) month period after termination of your employment with the Employer Company for any reason. The provisions calling for a "look back" of twenty-four (24) calendar months prior to the termination of employment are intended solely as a means of identifying the customers and potential customers to which such restrictions apply and are not intended to nor shall they, under any circumstances, be construed to define the length or term of any such restriction.

5. **Noncompetition**. During your employment and for a period of twelve (12) months following your voluntary or involuntary termination of employment, you shall not become an owner in, shareholder with more than a 2% equity interest in, investor in, or an employee, contractor, consultant, advisor, representative, officer, director, or agent of, a trade or business that offers products and services that are the same or substantially similar to the products and services provided by the Employer Company in any geographic market in which the Employer Company conducts business ("Competitor"); provided, however, that the duties and responsibilities of said employment or engagement as an owner in, shareholder with more than 2% equity interest in, investor in, employee, contractor, consultant, advisor, representative, officer, director or agent are (i) the same, similar, or substantially related to your current duties and responsibilities or duties or responsibilities performed by you while employed by the Employer Company at any time during a six (6) month period prior to your date of termination of employment and (ii) related to or concerning the Competitor's business activities in the Restricted Territory. The parties agree and affirm that their intention with respect to Paragraph 5 is that your activities shall be limited only for the twelve (12) month period after termination of employment for any reason. The provisions calling for a "look back" of six (6) calendar months prior to the date of termination of employment are intended solely as a means of identifying the duties and responsibilities that will define the restricted activities covered by Paragraph 5 and are not intended to nor shall they, under any circumstances, be construed to define the length or term of any such restriction. For purposes of Paragraph 5, the term "Restricted Territory" means the geographic area that is part of your current duties and responsibilities or the geographic area that was part of your duties and responsibilities within a period of six (6) month period prior to the date of your termination of employment. If a court of competent jurisdiction determines that the Restricted Territory as defined herein is too restrictive, then the parties agree that said court may reduce or limit the Restricted

Territory to the largest acceptable area so as to enable the enforcement of Paragraph 5.

6. **Return of Confidential Information**. At any time upon the request of the Employer Company or upon your termination of your employment, you shall return to the Employer Company any and all Employer Company property including but not limited to laptops, phones, smart phones and documents or materials in your possession, custody and control that contain Confidential Information. You also agree that upon termination of employment, you shall destroy any Confidential Information stored on your personal computer or other data storage device. Along with the return of said documents and materials, you shall provide the Employer Company (upon the Employer Company's request) with a sworn or written statement indicating that you do not have possession, custody and control of any of the Employer Company's Confidential Information and have destroyed all of the Employer Company's data electronically stored on your personal computer or other data storage device.

7. **Notice**. Notice shall be effective only if it is made in writing and actually or constructively received by the individuals below. To be effective, any notice required under this Restrictive Covenant Agreement must be sent by nationally recognized express delivery courier or by certified mail, return receipt requested, to the person(s) and address(es) listed below.

Senior Vice President, Global General Counsel
Laboratory Corporation of America Holdings
531 South Spring Street
Burlington, North Carolina 27215

and, if to you, notice shall be sent to your last known mailing address on record at the Employer Company. You have an obligation to ensure that the Employer Company's records contain your most recent address.

8. **Breach/Available Remedies**.

   a. Except as otherwise provided in this subparagraph, if any provision of this Restrictive Covenant Agreement shall be determined to be invalid or unenforceable by a court of competent jurisdiction, that part shall be ineffective to the extent of such invalidity or unenforceability only, without in any way affecting the remaining parts of said provision or the remaining provisions of this Restrictive Covenant Agreement; provided, that if any provision contained in this Restrictive Covenant Agreement shall be adjudicated to be invalid or unenforceable because such provision is held to be excessively broad as to duration, geographic scope, activity or subject, the parties agree that the said provision shall be limited and reduced to the maximum extent compatible with the applicable laws of such jurisdiction, and such amendment only to apply with respect to the operation of such provision in the applicable jurisdiction in which the adjudication is made.

b. You agree that as part of this Restrictive Covenant Agreement, you will have access to the Employer Company's Confidential Information, personnel, and existing and potential customers of the Employer Company. You further agree that the Employer Company maintains a competitive advantage over other persons or entities in the trade or business of providing commercial medical laboratory testing services as a result of the Employer Company's Confidential Information, personnel, and existing and potential customer contacts. You further agree that the Employer Company will be placed at a competitive disadvantage in the event that you breach this Restrictive Covenant Agreement and that damages would not be an adequate or reasonable remedy in the event of such breach. Accordingly, you stipulate that in the event that you breach one or more of the provisions set forth in this Restrictive Covenant Agreement, the Employer Company will be entitled to an injunction restraining you from violating the terms of those paragraphs. Nothing herein shall be construed as prohibiting the Employer Company from pursuing any other remedy available for such breach or prospective breach.

9. **Miscellaneous**.

a. Absent any other agreement to the contrary nothing herein shall be construed as giving you the right to continued service or employment relationship with the Employer Company. This Agreement does not alter or amend in any way the Employer Company's right to terminate the employment relationship in accordance with any offer letter, employment contract or applicable law.

b. You represent and warrant that you are not a party to any contract, agreement or understanding that prevents or prohibits you from entering into and fully performing under this Restrictive Covenant Agreement.

c. In the event a court of law declares any provision of this Restrictive Covenant Agreement to be null and void, it is understood and agreed by you and the Employer Company that such clause shall be severed from this Restrictive Covenant Agreement and that the remaining provisions of this Restrictive Covenant Agreement shall continue to be binding on you.

d. It is understood and agreed by you and Laboratory Corporation of America Holdings ("Labcorp") that this Confidentiality/Non-Competition/Non-Solicitation Agreement constitutes the agreement in its entirety and supersedes any previous Confidentiality/Non-Competition/Non-Solicitation Agreement previously executed by you as part of an Equity Award Agreement with Labcorp. This Confidentiality/Non-Competition/Non-Solicitation Agreement replaces any other non-compete, non-solicitation and confidentiality agreement which you may have previously executed in favor of Labcorp or one of its subsidiary companies incorporated within the United States. This

Confidentiality/Non-Competition/Non-Solicitation Agreement shall not replace, amend, restrict, otherwise modify or supersede any employment contract or agreement between you and a foreign subsidiary of Labcorp and shall not amend, alter or affect any non-compete, non-solicitation or confidentiality agreement executed by you and Labcorp or an Employer Company in connection with a merger or acquisition agreement of a business entity with whom you were previously employed or affiliated, including, but not limited to, an ownership or investment interest in said entity.

e. For purposes of this Restrictive Covenant Agreement, the Employer Company shall mean Laboratory Corporation of America Holdings or its subsidiary and affiliated companies with whom you are employed at the commencement of your employment, as well as any subsequent parent, subsidiary or affiliated company that becomes the employing entity in the event of a transfer, promotion, assignment, reassignment or corporate restructuring.

f. As used herein, “affiliate” shall mean a current or future company or other business entity that, directly or indirectly, is controlled by, controls or is under common control with Laboratory Corporation of America Holdings. For the purposes of the preceding sentence, the meaning of the word “control” shall include, but not necessarily be limited to, ownership of more than fifty percent (50%) of the voting shares or other interest of the Employer Company or other business entity.

g. This Restrictive Covenant Agreement shall be binding upon you and shall inure to the benefit of the parties and their respective personal representatives, heirs, affiliates, successors, and assigns. Labcorp may at its sole discretion assign its rights under this Restrictive Covenant Agreement.

h. You affirm by signing this Restrictive Covenant Agreement that you have completely read this entire Restrictive Covenant Agreement and understand the terms and conditions included within this Restrictive Covenant Agreement. You also agree that this Restrictive Covenant Agreement may not be modified or altered in any respect except in writing, signed by you and Labcorp.

i. This Restrictive Covenant Agreement shall be deemed to have been entered into in the State of North Carolina and shall be construed in accordance with and governed by the laws of North Carolina, to the exclusion of the laws of any other forum including but not limited to the laws of the State of California. You agree, acknowledge and recognize that by virtue of your employment with the Employer Company, either a North Carolina corporation or a subsidiary of a North Carolina corporation, with its principal place of business in North Carolina, and your own contacts and business dealings with Labcorp and the Employer Company in North Carolina, North Carolina has a substantial relationship to

this Restrictive Covenant Agreement and a materially greater interest in applying its laws, over and to the exclusion of the laws of any other forum, to the resolution of any dispute arising out of or relating to this Restrictive Covenant Agreement.

j. Any action, special proceeding or other proceeding, including without limitation any request for temporary, preliminary, or permanent injunctive relief with respect to this Restrictive Covenant Agreement shall be brought ***exclusively*** in the federal or state courts of the State of North Carolina. ***You and the Employer Company irrevocably consent to the jurisdiction of the Federal and State courts of North Carolina and you hereby consent and submit to personal jurisdiction in the State of North Carolina. You and the Employer Company irrevocably waive any objection, including an objection or defense based on lack of personal jurisdiction, improper venue or forum non-conveniens which either may now or hereafter have to the bringing of any action or proceeding in connection with this Restrictive Covenant Agreement. You acknowledge and recognize that in the event that you breach this Restrictive Covenant Agreement, the Employer Company may initiate a lawsuit against you in North Carolina, that you waive your right to have that lawsuit be brought in a court located closer to where you may reside, and that you will be required to travel to and defend yourself in North Carolina. You likewise agree that to the extent you institute any action arising out of or relating to this Restrictive Covenant Agreement, it shall be brought in North Carolina and doing so does not present any undue burden or inconvenience to you.***

k. You shall at all times abide by such laws and regulations, including but not limited to such laws which relate to the improper inducement for referrals of items or Services reimbursable by the Federal health care programs 42 U.S.C. § 1320a-7b(b) (the "anti-kickback statute"). You acknowledge that you are (i) aware that the United States securities laws prohibit any person who has material nonpublic information about the Employer Company from purchasing or selling securities of such Employer Company, or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities and (ii) familiar with the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder and agrees that it will neither use, nor cause any third party to use, any Information in contravention of such Act or any such rules and regulations, including Rules 10b-5 and 14e-3.

l. Except as stated otherwise herein, this Restrictive Covenant Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof, and there are no representations, warranties, covenants, conditions, understandings or agreements other than those expressly set forth herein.

IN WITNESS WHEREOF, the undersigned have duly executed and delivered this Agreement, or have caused this Agreement to be duly executed and delivered on their behalf.

LABORATORY CORPORATION OF AMERICA HOLDINGS

_____
Adam Schechter
President and CEO

EXECUTIVE

_____
Thomas H. Pike

Exhibit 21 LIST OF SUBSIDIARIES

2248848 Ontario Inc.
3065619 Nova Scotia Company
3257959 Nova Scotia Company
896988 Ontario Limited
Accupath Diagnostic Laboratories, Inc.
Beacon Laboratory Benefit Solutions, Inc.
BeaconLBS IPA, Inc.
CannAmm GP Inc.
CannAmm Limited Partnership
Center for Disease Detection, LLC
Centrex Clinical Laboratories, Inc.
Clearstone Central Laboratories (U.S.) Inc.
Clearstone Holdings (International) Ltd.
Clipper Holdings, Inc.
Colorado Coagulation Consultants, Inc.
Colorado Laboratory Services, LLC
Correlagen Diagnostics, Inc.
Curalab Inc.
Cytometry Associates, Inc.
Czura Thornton (Hong Kong) Limited
DCL Acquisition, Inc.
DCL Medical Laboratories, LLC (FL)
DCL Medical Laboratories, LLC (DE)
DCL Sub LLC
Diagnostic Services, Inc.
DIANON Systems, Inc.
DL Holdings Limited Partnership
Dynacare - Gamma Laboratory Partnership
Dynacare Company
Dynacare G.P. Inc.
Dynacare Holdco LLC
Dynacare Laboratories Inc.
Dynacare Laboratories Limited Partnership
Dynacare Northwest Inc.
Dynacare Realty Inc.
DynaLifeDX
Endocrine Sciences, Inc.
Esoterix Genetic Counseling, LLC
Esoterix Genetic Laboratories, LLC
Esoterix, Inc.
Execmed Health Services Inc.
FirstSource Laboratory Solutions, Inc.
Gamma Dynacare Central Medical Laboratories GP Inc.
Gamma Dynacare Central Medical Laboratory Limited Partnership
GDML Medical Laboratories Inc
HHLA Lab-In-An-Envelope, LLC
Home Healthcare Laboratory of America, LLC
IDX Pathology, Inc.
Impact Genetics, Inc.
Lab Delivery Service of New York City, Inc.
LabCorp Belgium Holdings, Inc.
LabCorp BV
LabCorp Central Laboratories (Canada) Inc.
LabCorp Central Laboratories (China) Inc.
Labcorp Drug Development (f-Covance Inc.)
LabCorp Development Company

LabCorp Employer Services, Inc.
LabCorp Health System Diagnostics, LLC
LabCorp Japan, G.K.
Labcorp Kansas, Inc.
LabCorp Michigan, Inc.
LabCorp Nebraska, Inc.
LabCorp Neon Ltd.
LabCorp Neon Switzerland S.à r.l. (Renamed from LabCorp Neon Luxenbourg S.à r.l.)
Labcorp Oklahoma, Inc.
LabCorp Specialty Testing Billing Service, Inc.
LabCorp Specialty Testing Group, Inc.
LabCorp Staffing Solutions, Inc.
LabCorp Tennessee, LLC
LabCorp UK Holdings, Ltd.
Laboratoire Bio-Medic Inc.
Laboratory Corporation of America
LabWest, Inc.
LipoScience, Inc.
Litholink Corporation
Medical Neurogenetics, LLC
Medtox Diagnostics, Inc.
Medtox Laboratories, Inc.
MEDTOX Scientific, Inc.
Monogram Biosciences, Inc.
National Genetics Institute
New Brighton Business Center LLC
New Imaging Diagnostics, LLC
New Molecular Diagnostics Ventures LLC
NWT Inc.
Omniseq, Inc.
Ovuline, Inc.
PA Labs, Inc.
Path Lab Incorporated
Pathology Associates Medical Lab, LLC
Personal Genome Diagnostics Inc.
Persys Technology Inc.
Pixel by LabCorp
Princeton Diagnostic Laboratories of America, Inc.
Protedyne Corporation
Saint Joseph-PAML, LLC
Sequenom Center for Molecular Medicine, LLC
Sequenom, Inc.
SW/DL LLC
Tandem Labs Inc.
The LabCorp Charitable Foundation
Tri-Cities Laboratory, LLC
Viro-Med Laboratories, Inc.
Visiun Inc.
Yakima Medical Arts, Inc.

Labcorp Drug Development Inc. Operating Entities
Chiltern International Limited (CIL)
Chiltern Pesquisa Clinica Ltda
Covance (Barbados) Holdings Ltd.
Covance (Barbados) Ltd.
Fairfax Storage Limited
Havenfern Ltd
Hazpen Trustees Ltd.

Labcorp (Argentina) S.A.
Labcorp (Canada) Inc.
Labcorp (Polska) Sp. z o.o.
Labcorp Asia-Pacific Inc.
Labcorp Austria GmbH
Labcorp Bedford LLC
Labcorp Bioanalytical Services LLC
Labcorp Brazil Pharmaceutical Services Limitada
Labcorp Central Laboratory Services Inc.
Labcorp Central Laboratory Services Limited Partnership
Labcorp Central Laboratory Services S.à r.l.
Labcorp Chile Services Limitada
Labcorp Clinical Development (Pty) Ltd
Labcorp Clinical Development AG
Labcorp Clinical Development ApS
Labcorp Clinical Development GmbH
Labcorp Clinical Development Hungaria Consultancy Limited Liability Company
Labcorp Clinical Development Limited
Labcorp Clinical Development Limited
Labcorp Clinical Development Ltd.
Labcorp Clinical Development Private Limited
Labcorp Clinical Development SARL
Labcorp Clinical Development SRL
Labcorp Clinical Development SRL
Labcorp Clinical Development Ukraine LLC
Labcorp Clinical Development, S. DE R. L. De C.V.
Labcorp Clinical Research Unit Inc.
Labcorp Clinical Research Unit Limited
Labcorp Clinical Research, LP
Labcorp CLS Holdings Limited LLC
Labcorp CLS Holdings Partnership LP
Labcorp Colombia Services Ltda.
Labcorp CRU Inc.
Labcorp Data Sciences Ukraine LLC
Labcorp Development (Asia) Pte. Ltd.
Labcorp Development Japan K.K.
Labcorp Development Limited
Labcorp Development Pty Ltd
Labcorp Development S.A.
Labcorp Drug Development India Private Limited
Labcorp Early Development Corporation
Labcorp Early Development Laboratories Inc.
Labcorp Early Development Laboratories Limited
Labcorp Early Development Services GmbH
Labcorp Endpoint (UK) Ltd
Labcorp Endpoint Clinical Inc.
Labcorp Endpoint India Private Limited
Labcorp Global Specimen Solutions Inc.
Labcorp Guatemala Services, S.A.
Labcorp Hong Kong Holdings Limited
Labcorp Hong Kong Services Limited
Labcorp International Holdings B.V.
Labcorp International Holdings Limited
Labcorp Korea Limited
Labcorp Latin America Inc.
Labcorp Luxembourg Sarl
Labcorp Neon Luxembourg Sarl
Labcorp New Zealand Limited

Labcorp Peri-Approval and Commercialization Inc.
Labcorp Peru Services S.A.
Labcorp Pharmaceutical Research and Development (Beijing) Co., Ltd.
Labcorp Pharmaceutical Research and Development (Shanghai) Co., Ltd.
Labcorp Pharmaceutical Research and Development (Suzhou) Co., Ltd.
Labcorp Research Holdings, LLC
Labcorp Scientific Services & Solutions Private Limited
Labcorp Scientific Services and Solutions, Inc.
Labcorp Services (Thailand) Limited
Labcorp Services Malaysia Sdn. Bdn.
Labcorp Specialty Pharmacy LLC
Labcorp Taiwan Services Limited
Labcorp US Holdings Limited LLC
Labcorp US Holdings Partnership LP
LSR Pension Scheme Limited
SnapIoT Europe s.r.l.
SnapIOT, Inc.
Texas Covance GP, Inc.
Theorem Clinical Research Holdings B.V.
Theorem Clinical Research International B.V
Theorem Clinical Research Latin America B.V.
Theorem Research Associates, Inc.

Labcorp Drug Development Inc. Inactive Entities
Chiltern Clinical Research (Philippines) Inc
Chiltern International AB
Chiltern International Sro
Covance Clinical and Periapproval Services LLC
Covance Clinical Development SRL
Covance Consulting Limited
Covance CRS Analytics Ltd.
Covance CRS Developments Limited
Covance CRS International Limited
Covance Genomics Laboratory LLC
Covance Laboratories Korea Company Limited
Covance NPA Inc.
Covance Pharma Consulting Limited
Integrated Development Associates Philippines, Inc
Labcorp International Group Limited
Labcorp Research Limited
Labcorp UK Limited
Ockham Development Group (Holdings) UK Ltd
Ockham Europe Limited
Theorem Clinical Research Co., Ltd.

Dynacare non-operating entities identified subsequent to the acquisition of Dynacare Inc. on July 25, 2002
1004679 Ontario Limited
563911 Ontario Limited
794475 Ontario Inc.
829318 Ontario Limited
854512 Ontario Limited
879606 Ontario Limited
900747 Ontario Ltd.
925893 Ontario Limited
942487 Ontario Ltd.
942489 Ontario Ltd.
942491 Ontario Limited

942492 Ontario Ltd.
947342 Ontario Ltd.
949235 Ontario Ltd.
958069 Ontario Inc.
977681 Ontario Inc.
978550 Ontario Ltd.
978551 Ontario Ltd.
Amherstview Medical Centre Developments Inc.
DHG Place Du Centre Clinique
Dynacare Canada Inc.
Dynacare International Inc.
Glen Davis Equities Ltd.
L.R.C. Management Service Inc.
Lawrence-Curlew Medical Centre Inc.
Roselat Developments Limited
St. Joseph's Health Centre
Stockwin Corporation Ltd.
Thistle Place Care Corp.
Toronto Argyro Medical Laboratories Ltd.
Woodstock Medical Arts Building Inc.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-268472 on Form S-3 and Registration Statement Nos. 333-150704, 333-181107, 333-211324, and 333-211323 on Forms S-8 of our reports dated February 28, 2023, relating to the consolidated financial statements of Laboratory Corporation of America Holdings and the effectiveness of Laboratory Corporation of America Holdings' internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2022.

/s/ Deloitte & Touche LLP

Raleigh, North Carolina
February 28, 2023

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-268472) and Form S-8 (No. 333-150704, No. 333-181107, No. 333-211324 and No. 333-211323) of Laboratory Corporation of America Holdings of our report dated February 25, 2021, except for the effects of the revision discussed in Note 1 (not presented herein) to the consolidated financial statements appearing under Item 8 of the Company's 2021 annual report on Form 10-K, as to which the date is February 25, 2022, and except for the effects of the change in the segment performance measure discussed in Note 19, as to which the date is February 28, 2023, relating to the financial statements, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Raleigh, North Carolina
February 28, 2023

Exhibit 24.1

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints Sandra van der Vaart her true and lawful attorney-in-fact and agent, with full power of substitution, for her and in her name, place and stead, in any and all capacities, in connection with the Laboratory Corporation of America Holdings (Corporation) Annual Report on Form 10-K for the year ended December 31, 2022, under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents, each acting alone, or she substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents in this 28th day of February, 2023.

By: /s/ KERRII B. ANDERSON
Kerrii B. Anderson

Exhibit 24.2

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints Sandra van der Vaart his true and lawful attorney-in-fact and agent, with full power of substitution, for him and in his name, place and stead, in any and all capacities, in connection with the Laboratory Corporation of America Holdings (Corporation) Annual Report on Form 10-K for the year ended December 31, 2022, under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents in this 28th day of February, 2023.

By: /s/ JEAN-LUC BÉLINGARD
Jean-Luc Bélingard

Exhibit 24.3

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints Sandra van der Vaart his true and lawful attorney-in-fact and agent, with full power of substitution, for him and in his name, place and stead, in any and all capacities, in connection with the Laboratory Corporation of America Holdings (Corporation) Annual Report on Form 10-K for the year ended December 31, 2022, under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents in this 28th day of February, 2023.

By: /s/ JEFFREY A. DAVIS
Jeffrey A. Davis

Exhibit 24.4

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints Sandra van der Vaart his true and lawful attorney-in-fact and agent, with full power of substitution, for him and in his name, place and stead, in any and all capacities, in connection with the Laboratory Corporation of America Holdings (Corporation) Annual Report on Form 10-K for the year ended December 31, 2022, under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents in this 28th day of February, 2023.

By: /s/ D. GARY GILLILAND, M.D., Ph.D
D. Gary Gilliland, M.D., Ph.D

Exhibit 24.5

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints Sandra van der Vaart her true and lawful attorney-in-fact and agent, with full power of substitution, for her and in her name, place and stead, in any and all capacities, in connection with the Laboratory Corporation of America Holdings (Corporation) Annual Report on Form 10-K for the year ended December 31, 2022, under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents, each acting alone, or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents in this 28th day of February, 2023.

By: /s/ KIRSTEN M. KLIPHOUSE
Kirsten M. Kliphouse

Exhibit 24.6

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints Sandra van der Vaart his true and lawful attorney-in-fact and agent, with full power of substitution, for him and in his name, place and stead, in any and all capacities, in connection with the Laboratory Corporation of America Holdings (Corporation) Annual Report on Form 10-K for the year ended December 31, 2022, under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents in this 28th day of February, 2023.

By: /s/ GARHENG KONG, M.D., Ph.D.
Garheng Kong, M.D., Ph.D.

Exhibit 24.7

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints Sandra van der Vaart his true and lawful attorney-in-fact and agent, with full power of substitution, for him and in his name, place and stead, in any and all capacities, in connection with the Laboratory Corporation of America Holdings (Corporation) Annual Report on Form 10-K for the year ended December 31, 2022, under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents in this 28th day of February, 2023.

By: /s/ PETER M. NEUPERT
Peter M. Neupert

Exhibit 24.8

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints Sandra van der Vaart her true and lawful attorney-in-fact and agent, with full power of substitution, for her and in her name, place and stead, in any and all capacities, in connection with the Laboratory Corporation of America Holdings (Corporation) Annual Report on Form 10-K for the year ended December 31, 2022, under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents, each acting alone, or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents in this 28th day of February, 2023.

By: /s/ RICHELLE P. PARHAM
Richelle P. Parham

Exhibit 24.9

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints Sandra van der Vaart her true and lawful attorney-in-fact and agent, with full power of substitution, for her and in her name, place and stead, in any and all capacities, in connection with the Laboratory Corporation of America Holdings (Corporation) Annual Report on Form 10-K for the year ended December 31, 2022, under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents in this 28th day of February, 2023.

By: /s/ KATHRYN E. WENGEL
Kathryn E. Wengel

Exhibit 24.10

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints Sandra van der Vaart his true and lawful attorney-in-fact and agent, with full power of substitution, for him and in his name, place and stead, in any and all capacities, in connection with the Laboratory Corporation of America Holdings (Corporation) Annual Report on Form 10-K for the year ended December 31, 2022, under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents in this 28th day of February, 2023.

By: /s/ R. SANDERS WILLIAMS, M.D.
R. Sanders Williams, M.D.

Exhibit 31.1

Certification

I, Adam H. Schechter, certify that:

1. I have reviewed this Annual Report on Form 10-K of Laboratory Corporation of America Holdings;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 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: February 28, 2023

By: /s/ ADAM H. SCHECHTER
Adam H. Schechter
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification

I, Glenn A. Eisenberg, certify that:

1. I have reviewed this Annual Report on Form 10-K of Laboratory Corporation of America Holdings;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 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: February 28, 2023

By: /s/ GLENN A. EISENBERG
Glenn A. Eisenberg
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32

Written Statement of
Chief Executive Officer and Chief Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)

The undersigned, the Chief Executive Officer and the Chief Financial Officer of Laboratory Corporation of America Holdings (Company), each hereby certifies that, to his knowledge on the date hereof:

(a) the Form 10-K of the Company for the Period Ended December 31, 2022, filed on the date hereof with the Securities and Exchange Commission (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ ADAM H. SCHECHTER
Adam H. Schechter
Chief Executive Officer
February 28, 2023

By: /s/ GLENN A. EISENBERG
Glenn A. Eisenberg
Chief Financial Officer
February 28, 2023

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Laboratory Corporation of America Holdings and will be retained by Laboratory Corporation of America Holdings and furnished to the Securities and Exchange Commission or its staff upon request.