

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

FORM 10-Q

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

For the quarterly period ended **March 31, 2019**

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: **1-06620**

GRIFFON CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of
incorporation or organization)

11-1893410

(I.R.S. Employer
Identification No.)

712 Fifth Ave, 18th Floor, New York, New York

(Address of principal executive offices)

10019

(Zip Code)

(212) 957-5000

(Registrant's telephone number, including area code)

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

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

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

Large accelerated filer Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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

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

The number of shares of common stock outstanding at **April 30, 2019** was 46,800,571.

Griffon Corporation and Subsidiaries

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Part I – Financial Information
Item 1 – Financial Statements

GRIFFON CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	(Unaudited) March 31, 2019	September 30, 2018
CURRENT ASSETS		
Cash and equivalents	\$ 57,979	\$ 69,758
Accounts receivable, net of allowances of \$10,025 and \$6,408	344,049	280,509
Contract costs and recognized income not yet billed, net of progress payments of \$5,300 and \$3,172	83,904	121,803
Inventories	457,071	398,359
Prepaid and other current assets	45,778	42,121
Assets of discontinued operations	324	324
Total Current Assets	989,105	912,874
PROPERTY, PLANT AND EQUIPMENT, net	332,852	342,492
GOODWILL	439,118	439,395
INTANGIBLE ASSETS, net	364,740	370,858
OTHER ASSETS	15,192	16,355
ASSETS OF DISCONTINUED OPERATIONS	2,901	2,916
Total Assets	\$ 2,143,908	\$ 2,084,890
CURRENT LIABILITIES		
Notes payable and current portion of long-term debt	\$ 10,807	\$ 13,011
Accounts payable	223,188	233,658
Accrued liabilities	120,532	139,192
Liabilities of discontinued operations	11,657	7,210
Total Current Liabilities	366,184	393,071
LONG-TERM DEBT, net	1,206,195	1,108,071
OTHER LIABILITIES	94,938	106,710
LIABILITIES OF DISCONTINUED OPERATIONS	2,307	2,647
Total Liabilities	1,669,624	1,610,499
COMMITMENTS AND CONTINGENCIES - See Note 19		
SHAREHOLDERS' EQUITY		
Total Shareholders' Equity	474,284	474,391
Total Liabilities and Shareholders' Equity	\$ 2,143,908	\$ 2,084,890

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

GRIFFON CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
For the Six Months Ended March 31, 2019
(Unaudited)

(in thousands)	COMMON STOCK		CAPITAL IN EXCESS OF PAR VALUE	RETAINED EARNINGS	TREASURY SHARES		ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	DEFERRED COMPENSATION	TOTAL
	SHARES	PAR VALUE			SHARES	COST			
Balance at September 30, 2018	81,520	\$ 20,380	\$ 503,396	\$ 550,523	35,846	\$ (534,830)	\$ (34,112)	\$ (30,966)	\$ 474,391
Net income	—	—	—	8,753	—	—	—	—	8,753
Cumulative catch-up adjustment related to adoption of ASC 606(1)	—	—	—	(5,673)	—	—	—	—	(5,673)
Dividend	—	—	—	(3,143)	—	—	—	—	(3,143)
Shares withheld on employee taxes on vested equity awards	—	—	—	—	83	(1,058)	—	—	(1,058)
Amortization of deferred compensation	—	—	—	—	—	—	—	856	856
Common stock acquired	—	—	—	—	29	(290)	—	—	(290)
Equity awards granted, net	1,201	300	(300)	—	—	—	—	—	—
ESOP allocation of common stock	—	—	(8)	—	—	—	—	—	(8)
Stock-based compensation	—	—	2,933	—	—	—	—	—	2,933
Stock-based consideration	—	—	250	—	—	—	—	—	250
Other comprehensive income, net of tax	—	—	—	—	—	—	(5,450)	—	(5,450)
Balance at December 31, 2018	82,721	\$ 20,680	\$ 506,271	\$ 550,460	35,958	\$ (536,178)	\$ (39,562)	\$ (30,110)	\$ 471,561
Net income (loss)	—	—	—	(1,156)	—	—	—	—	(1,156)
Dividend	—	—	—	(3,704)	—	—	—	—	(3,704)
Shares withheld on employee taxes on vested equity awards	—	—	—	—	3	(48)	—	—	(48)
Amortization of deferred compensation	—	—	—	—	—	—	—	507	507
Common stock acquired	—	—	—	—	8	(82)	—	—	(82)
Equity awards granted, net	48	12	(12)	—	—	—	—	—	—
ESOP allocation of common stock	—	—	601	—	—	—	—	—	601
Stock-based compensation	—	—	3,422	—	—	—	—	—	3,422
Stock-based consideration	—	—	303	—	—	—	—	—	303
Other comprehensive income, net of tax	—	—	—	—	—	—	2,880	—	2,880
Balance at March 31, 2019	82,769	\$ 20,692	\$ 510,585	\$ 545,600	35,969	\$ (536,308)	\$ (36,682)	\$ (29,603)	\$ 474,284

(1) See Note 14 - Recent Accounting Pronouncements and Note 3 - Revenue for additional information.

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

GRIFFON CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
For the Six Months Ended March 31, 2018
(Unaudited)

(in thousands)	COMMON STOCK		CAPITAL IN EXCESS OF PAR VALUE	RETAINED EARNINGS	TREASURY SHARES		ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	DEFERRED COMPENSATION	TOTAL
	SHARES	PAR VALUE			SHARES	COST			
Balance at September 30, 2017	80,663	\$ 20,166	\$ 487,077	\$ 480,347	33,557	\$(489,225)	\$ (60,481)	\$ (39,076)	\$ 398,808
Net income	—	—	—	30,989	—	—	—	—	30,989
Dividend	—	—	—	(2,990)	—	—	—	—	(2,990)
Shares withheld on employee taxes on vested equity awards	—	—	—	—	191	(4,332)	—	—	(4,332)
Amortization of deferred compensation	—	—	—	—	—	—	—	817	817
Equity awards granted, net	895	223	(223)	—	—	—	—	—	—
ESOP allocation of common stock	—	—	608	—	—	—	—	—	608
Stock-based compensation	—	—	2,555	—	—	—	—	—	2,555
Other comprehensive income, net of tax	—	—	—	—	—	—	8,358	—	8,358
Balance at December 31, 2017	81,558	\$ 20,389	\$ 490,017	\$ 508,346	33,748	\$(493,557)	\$ (52,123)	\$ (38,259)	\$ 434,813
Net income	—	—	—	90,280	—	—	—	—	90,280
Dividend	—	—	—	(46,660)	—	—	—	—	(46,660)
Shares withheld on employee taxes on vested equity awards	—	—	—	—	6	(114)	—	—	(114)
Amortization of deferred compensation	—	—	—	—	—	—	—	855	855
Common stock acquired	—	—	—	—	1,438	(28,415)	—	—	(28,415)
Equity awards granted, net	(84)	(20)	20	—	—	—	—	—	—
ESOP allocation of common stock	—	—	493	—	—	—	—	—	493
Stock-based compensation	—	—	2,365	—	—	—	—	—	2,365
Other comprehensive income, net of tax	—	—	—	—	—	—	20,401	—	20,401
Balance at March 31, 2018	81,474	\$ 20,369	\$ 492,895	\$ 551,966	35,192	\$(522,086)	\$ (31,722)	\$ (37,404)	\$ 474,018

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

GRIFFON CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(in thousands, except per share data)
(Unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2019	2018	2019	2018
Revenue	\$ 549,633	\$ 478,560	\$ 1,060,155	\$ 915,863
Cost of goods and services	412,129	357,181	779,605	673,705
Gross profit	137,504	121,379	280,550	242,158
Selling, general and administrative expenses	111,783	104,493	225,537	211,117
Income from operations	25,721	16,886	55,013	31,041
Other income (expense)				
Interest expense	(17,517)	(16,806)	(34,046)	(33,645)
Interest income	212	762	410	959
Other, net	1,268	2,346	2,272	2,760
Total other expense, net	(16,037)	(13,698)	(31,364)	(29,926)
Income before taxes from continuing operations	9,684	3,188	23,649	1,115
Provision (benefit) from income taxes	3,194	1,237	8,406	(23,667)
Income from continuing operations	\$ 6,490	\$ 1,951	\$ 15,243	\$ 24,782
Discontinued operations:				
Income (loss) from operations of discontinued operations	\$ (11,000)	\$ 113,376	(11,000)	124,842
Provision (benefit) for income taxes	(3,354)	25,047	(3,354)	28,355
Income (loss) from discontinued operations	\$ (7,646)	\$ 88,329	(7,646)	96,487
Net income (loss)	\$ (1,156)	\$ 90,280	\$ 7,597	\$ 121,269
Income from continuing operations	\$ 0.16	\$ 0.05	\$ 0.37	\$ 0.59
Income (loss) from discontinued operations	(0.19)	2.13	(0.19)	2.31
Basic earnings per common share	\$ (0.03)	\$ 2.18	\$ 0.19	\$ 2.91
Weighted-average shares outstanding	40,949	41,477	40,849	41,700
Income from continuing operations	\$ 0.15	\$ 0.05	\$ 0.36	\$ 0.58
Income (loss) from discontinued operations	(0.18)	2.07	(0.18)	2.24
Diluted earnings per common share	\$ (0.03)	\$ 2.11	\$ 0.18	\$ 2.82
Weighted-average shares outstanding	42,832	42,765	42,376	43,062
Dividends paid per common share	\$ 0.0725	\$ 0.0700	\$ 0.1450	\$ 0.1400
Net income (loss)	\$ (1,156)	\$ 90,280	\$ 7,597	\$ 121,269
Other comprehensive income (loss), net of taxes:				
Foreign currency translation adjustments	2,885	19,714	(2,851)	18,425
Pension and other post retirement plans	184	247	368	9,806
Change in cash flow hedges	(189)	440	(87)	528
Total other comprehensive income (loss), net of taxes	2,880	20,401	(2,570)	28,759
Comprehensive income, net	\$ 1,724	\$ 110,681	\$ 5,027	\$ 150,028

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

GRIFFON CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	Six Months Ended March 31,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES - CONTINUING OPERATIONS:		
Net income	\$ 7,597	\$ 121,269
Net (income) loss from discontinued operations	7,646	(96,487)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	30,577	26,271
Stock-based compensation	6,355	4,920
Provision (recovery) for losses on accounts receivable	316	(201)
Amortization of debt discounts and issuance costs	2,841	2,754
Deferred income taxes	(865)	(23,136)
Change in assets and liabilities, net of assets and liabilities acquired:		
Increase in accounts receivable and contract costs and recognized income not yet billed	(47,669)	(16,631)
Increase in inventories	(37,852)	(48,295)
Decrease in prepaid and other assets	2,323	2,613
Decrease in accounts payable, accrued liabilities and income taxes payable	(28,945)	(21,021)
Other changes, net	2,670	844
Net cash used in operating activities - continuing operations	(55,006)	(47,100)
CASH FLOWS FROM INVESTING ACTIVITIES - CONTINUING OPERATIONS:		
Acquisition of property, plant and equipment	(17,418)	(21,628)
Acquired businesses, net of cash acquired	(9,219)	(246,230)
Proceeds from sale of business	—	473,977
Insurance proceeds (payments)	(10,604)	8,254
Proceeds from sale of assets	62	454
Investment purchase	(149)	—
Net cash provided by (used in) investing activities - continuing operations	(37,328)	214,827
CASH FLOWS FROM FINANCING ACTIVITIES - CONTINUING OPERATIONS:		
Dividends paid	(6,847)	(5,872)
Purchase of shares for treasury	(1,478)	(32,861)
Proceeds from long-term debt	143,101	347,898
Payments of long-term debt	(48,169)	(229,941)
Financing costs	(945)	(7,451)
Contingent consideration for acquired businesses	(1,686)	—
Other, net	83	126
Net cash provided by financing activities - continuing operations	84,059	71,899
CASH FLOWS FROM DISCONTINUED OPERATIONS:		
Net cash used in operating activities	(3,438)	(15,080)
Net cash used in investing activities	—	(10,762)
Net cash used in financing activities	—	(22,541)
Net cash used in discontinued operations	(3,438)	(48,383)
Effect of exchange rate changes on cash and equivalents	(66)	(2,468)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(11,779)	188,775
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	69,758	47,681
CASH AND EQUIVALENTS AT END OF PERIOD	\$ 57,979	\$ 236,456

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

GRIFFON CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(US dollars and non US currencies in thousands, except per share data)

(Unaudited)

(Unless otherwise indicated, references to years or year-end refer to Griffon's fiscal period ending September 30)

NOTE 1 – DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

About Griffon Corporation

Griffon Corporation (the "Company", "Griffon", "we" or "us") is a diversified management and holding company that conducts business through wholly-owned subsidiaries. Griffon oversees the operations of its subsidiaries, allocates resources among them and manages their capital structures. Griffon provides direction and assistance to its subsidiaries in connection with acquisition and growth opportunities as well as in connection with divestitures. In order to further diversify, Griffon also seeks out, evaluates and, when appropriate, will acquire additional businesses that offer potentially attractive returns on capital.

The Company was founded in 1959, is a Delaware corporation headquartered in New York, N.Y. and is listed on the New York Stock Exchange (NYSE:GFF).

Griffon currently conducts its operations through two reportable segments:

- Home & Building Products ("HBP") segment consists of two companies, The AMES Companies, Inc. ("AMES") and Clopay Building Products Company, Inc. ("CBP"):

AMES, founded in 1774, is the leading North American manufacturer and a global provider of branded consumer and professional tools, landscaping products, and outdoor lifestyle solutions. In 2018, we acquired ClosetMaid LLC ("ClosetMaid"), a leader in wood and wire closet organization, general living storage and wire garage storage products for homeowners and professionals.

CBP, since 1964, is a leading manufacturer and marketer of residential and commercial garage doors and sells to professional dealers and some of the largest home center retail chains in North America. In 2018, we acquired CornellCookson, a leading U.S. manufacturer and marketer of rolling steel door and grille products designed for commercial, industrial, institutional, and retail use.

- Defense Electronics segment consists of Telephonics Corporation ("Telephonics"), founded in 1933, a globally recognized leading provider of highly sophisticated intelligence, surveillance and communications solutions for defense, aerospace and commercial customers.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") for interim financial information, and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, these financial statements do not include all the information and footnotes required by US GAAP for complete financial statements. As such, they should be read together with Griffon's Annual Report on Form 10-K for the year ended September 30, 2018, which provides a more complete explanation of Griffon's accounting policies, financial position, operating results, business properties and other matters. In the opinion of management, these financial statements reflect all adjustments considered necessary for a fair statement of interim results. Griffon's HBP operations are seasonal; for this and other reasons, the financial results of the Company for any interim period are not necessarily indicative of the results for the full year.

The condensed consolidated balance sheet information at September 30, 2018 was derived from the audited financial statements included in Griffon's Annual Report on Form 10-K for the year ended September 30, 2018.

The condensed consolidated financial statements include the accounts of Griffon and all subsidiaries. Intercompany accounts and transactions have been eliminated in consolidation.

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting periods. These estimates may be adjusted due to changes in economic, industry or customer financial conditions, as well as changes in technology or demand. Significant estimates include allowances for doubtful accounts receivable and returns, net realizable value of inventories, restructuring reserves, valuation of goodwill and intangible assets, percentage of completion method of accounting, pension assumptions, useful lives associated with depreciation and amortization of fixed and intangible assets, warranty reserves, sales incentive accruals, stock based compensation assumptions, income taxes and tax valuation reserves, environmental reserves, legal reserves, insurance reserves and the valuation of assets and liabilities of discontinued operations, acquisition assumptions used and the accompanying disclosures. These estimates are based on management's best knowledge of current events and actions Griffon may undertake in the future. Actual results may ultimately differ from these estimates.

Certain amounts in the prior year have been reclassified to conform to current year presentation.

NOTE 2 – FAIR VALUE MEASUREMENTS

The carrying values of cash and equivalents, accounts receivable, accounts and notes payable, and revolving credit and variable interest rate debt approximate fair value due to either the short-term nature of such instruments or the fact that the interest rate of the revolving credit and variable rate debt is based upon current market rates.

Applicable accounting guidance establishes a fair value hierarchy requiring the Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. The accounting guidance establishes three levels of inputs that may be used to measure fair value, as follows:

- Level 1 inputs are measured and recorded at fair value based upon quoted prices in active markets for identical assets.
- Level 2 inputs include inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of assets or liabilities.
- Level 3 inputs are unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The fair values of Griffon's 2022 senior notes approximated \$985,770 on March 31, 2019. Fair values were based upon quoted market prices (level 1 inputs).

Insurance contracts with values of \$2,481 at March 31, 2019 are measured and recorded at fair value based upon quoted prices in active markets for similar assets (level 2 inputs) and are included in Prepaid and other current assets on the Consolidated Balance Sheets.

Items Measured at Fair Value on a Recurring Basis

At March 31, 2019, trading securities, measured at fair value based on quoted prices in active markets for similar assets (level 2 inputs), with a fair value of \$2,825 (\$2,233 cost basis), were included in Prepaid and other current assets on the Consolidated Balance Sheets. Realized and unrealized gains and losses on trading securities are included in Other income in the Consolidated Statements of Operations and Comprehensive Income (Loss).

In the normal course of business, Griffon's operations are exposed to the effects of changes in foreign currency exchange rates. To manage these risks, Griffon may enter into various derivative contracts such as foreign currency exchange contracts, including forwards and options. As of March 31, 2019, Griffon entered into several such contracts in order to lock into a foreign currency rate for planned settlements of trade and inter-company liabilities payable in US dollars.

At March 31, 2019, Griffon had \$8,000 of Australian dollar contracts at a weighted average rate of \$1.41 which qualified for hedge accounting (level 2 inputs). These hedges were all deemed effective as cash flow hedges with gains and losses related to changes in fair value deferred and recorded in Accumulated other comprehensive income (loss) ("AOCI") and Prepaid and other current

assets, or Accrued liabilities, until settlement. Upon settlement, gains and losses are recognized in the Consolidated Statements of Operations and Comprehensive Income (Loss) in Cost of goods and services ("COGS"). AOCI included deferred gains of \$549 (\$384, net of tax) at March 31, 2019 and a gain of \$242 and \$934 was recorded in COGS during the three and six months ended March 31, 2019, respectively, for all settled contracts. All contracts expire in 30 to 88 days.

At March 31, 2019, Griffon had \$1,460 of Canadian dollar contracts at a weighted average rate of \$1.33. The contracts, which protect Canadian operations from currency fluctuations for US dollar based purchases, do not qualify for hedge accounting. For the three and six months ended March 31, 2019, fair value gains (losses) of \$ \$18 and \$(23) was recorded to Other liabilities and to Other income for the outstanding contracts, based on similar contract values (level 2 inputs). Realized gain of \$68 and \$58 were recorded in Other income during the three and six months ended March 31, 2019, respectively, for all settled contracts. All contracts expire in 29 to 120 days.

NOTE 3 – REVENUE

On October 1, 2018, the Company adopted the requirements of Accounting Standard Codification ("ASC") Topic 606, "Revenue from Contracts with Customers", using the modified retrospective method applied to those contracts that were not completed as of October 1, 2018. The Company's comparative consolidated results over the prior period have not been adjusted and continue to be reported under previously issued guidance, ASC 605 - Revenue Recognition, which required that revenue was accounted for when the earnings process was complete.

This accounting standard did not materially impact the Company's revenue recognition practices in our Home and Building Products ("HBP") Segment, however, it impacted revenue recognition practices in our Defense Electronics Segment. The impact of adopting this accounting standard was not material to the Company's consolidated financial statements as of and for the three and six months ended March 31, 2019. Under the modified retrospective method, the Company recognized the cumulative effect of initially applying this accounting standard as an adjustment to the opening balance in retained earnings of approximately \$5,673 as of October 1, 2018, primarily relating to certain contracts in the Defense Electronics Segment containing provisions for radar and communication products that have an alternative use and / or no right to payment. For these contracts, the Company now recognizes revenue at a point in time, rather than over time as this measure more accurately depicts the transfer of control to the customer relative to the goods or services promised under the contract.

The cumulative effect of the changes made to the Company's Consolidated October 1, 2018 Balance Sheet for the adoption of ASC 606 is as follows:

Balance Sheet	As Reported at September 30, 2018	Adjustments	Balance as of October 1, 2018
CURRENT ASSETS			
Contract costs and recognized income not yet billed, net of progress payments	\$ 121,803	\$ (20,982)	\$ 100,821
Inventories	398,359	22,025	420,384
Total Current Assets	912,874	1,043	913,917
Total Assets	2,084,890	1,043	2,085,933
CURRENT LIABILITIES			
Accounts payable	233,658	8,282	241,940
Billings in excess of costs ⁽¹⁾	17,559	8,282	25,841
Total Current Liabilities	393,071	8,282	401,353
OTHER LIABILITIES	106,710	(1,566)	105,144
Total Liabilities	1,610,499	6,716	1,617,215
SHAREHOLDERS' EQUITY			
Retained Earnings	550,523	(5,673)	544,850
Total Shareholders' Equity	474,391	(5,673)	468,718
Total Liabilities and Shareholders' Equity	\$ 2,084,890	\$ 1,043	\$ 2,085,933

⁽¹⁾ Billings in excess of costs is reported in Accounts payable on the Company's Consolidated Balance Sheets.

The impact to the Company's Consolidated Statement of Operations for the three and six months ended March 31, 2019 and to the Company's Balance Sheet as of March 31, 2019 was as follows:

For the Three Months Ended March 31, 2019

Income Statement	As Reported	Balances Without Adoption of ASC 606	Effect of Adoption Higher/(Lower)
Net sales	\$ 549,633	\$ 548,053	\$ 1,580
Cost of goods and services	412,129	410,898	1,231
Income (loss) before taxes from continuing operations	9,684	9,335	349
Provision (benefit) from income taxes	3,194	3,118	76
Income from continuing operations	6,490	6,217	273

For the Six Months Ended March 31, 2019

Income Statement	As Reported	Balances Without Adoption of ASC 606	Effect of Adoption Higher/(Lower)
Net sales	\$ 1,060,155	\$ 1,053,969	\$ 6,186
Cost of goods and services	779,605	775,109	4,496
Income before taxes from continuing operations	23,649	21,960	1,689
Provision (benefit) from income taxes	8,406	8,038	368
Income from continuing operations	15,243	13,922	1,321

As of March 31, 2019

Balance Sheet	As Reported	Balances Without Adoption of ASC 606	Effect of Adoption Higher/(Lower)
CURRENT ASSETS			
Contract costs and recognized income not yet billed, net of progress payments	\$ 83,904	\$ 98,700	(14,796)
Inventories	457,071	439,543	17,528
Total Current Assets	989,105	986,373	2,732
Total Assets	2,143,908	2,141,176	2,732
CURRENT LIABILITIES			
Accounts payable	223,188	214,906	8,282
Billings in excess of costs	28,227	19,945	8,282
Total Current Liabilities	366,184	357,902	8,282
OTHER LIABILITIES	94,938	96,136	(1,198)
Total Liabilities	1,669,624	1,662,540	7,084
SHAREHOLDERS' EQUITY			
Retained Earnings	545,600	549,952	(4,352)
Total Shareholders' Equity	474,284	478,636	(4,352)
Total Liabilities and Shareholders' Equity	\$ 2,143,908	\$ 2,141,176	\$ 2,732

The Company's accounting policy has been updated to align with the new standard to recognize revenue when the following criteria are met: 1) Contract with the customer has been identified; 2) Performance obligations in the contract have been identified; 3) Transaction price has been determined; 4) Transaction price has been allocated to the performance obligations; and 5) Revenue is recognized when (or as) performance obligations are satisfied.

See Note 12 - Business Segments for revenue from contracts with customers disaggregated by end markets, segments and geographic location.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service, or a bundle of goods or services, to the customer, and is the unit of accounting under ASC Topic 606. A contract with a customer is an agreement which both parties have approved, that creates enforceable rights and obligations, has commercial substance and with respect to which payment terms are identified and collectability is probable. Once the Company has entered a contract or purchase order, it is evaluated to identify performance obligations. For each performance obligation, revenue is recognized when control of the promised products are transferred to the customer, or services are satisfied under the contract or purchase order, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those products or services (the transaction price).

A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when each performance obligation is satisfied. A majority of the Company's contracts have a single performance obligation which represents, in most cases, the product being sold to the customer. To a lesser extent, some contracts include multiple performance obligations such as a product, the related installation, and extended warranty services. These contracts require judgment in determining the number of performance obligations.

Over 80% of the Company's performance obligations are recognized at a point in time that relate to the manufacture and sale of a broad range of products and components within the HBP Segment, and revenue is recognized when title, and risk and rewards of ownership, have transferred to the customer. Less than 20% of the Company's performance obligations are recognized over time or under the percentage-of-completion method relating to prime or subcontractors from contract awards with the U.S. Government, as well as foreign governments and other commercial customers within our Defense Electronics Segment. Sales recognized over time are generally accounted for using an input measure to determine progress completed at the end of the period. We believe that cumulative costs incurred to date as a percentage of estimated total contract costs at completion is an appropriate measure of progress towards satisfaction of performance obligations, as it most accurately depicts the progress of our work and transfer of control to our customers.

Revenue from HBP Segment

A majority of the HBP Segment revenue is short cycle in nature with shipments occurring within one year from order and does not include a material long-term financing component, implicitly or explicitly. Payment terms generally range between 15 to 90 days and vary by the location of the business, the type of products manufactured to be sold and the volume of products sold, among other factors.

The Company's HBP Segment recognizes revenue from product sales when all factors are met, including when control of a product transfers to the customer upon its shipment, completion of installation, testing, certification or other substantive acceptance required under the contract. Other than standard product warranty provisions, sales arrangements provide for no other significant post-shipment obligations on the Company. From time-to-time and for certain customers, rebates and other sales incentives, promotional allowances or discounts are offered, typically related to customer purchase volumes, all of which are fixed or determinable and are classified as a reduction of revenue and recorded at the time of sale. Griffon provides for sales returns and allowances based upon historical returns experience.

The majority of the Company's contracts in the HBP Segment offer assurance-type warranties in connection with the sale of a product to a customer. Assurance-type warranties provide a customer with assurance that the related product will function as the parties intended because it complies with agreed-upon specifications. Such warranties do not represent a separate performance obligation.

Payment terms in the HBP Segment vary depending on the type and location of the customer and the products or services offered. Generally, the period between the time revenue is recognized and the time payment is due is not significant. Shipping and handling charges are not considered a separate performance obligation. If revenue is recognized for a good before it is shipped and handled, the related shipping and handling costs must be accrued. Additionally, all taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction and collected from a customer (e.g., sales, use, value added, and some excise taxes) are excluded from revenue. The Company's policies related to shipping, handling and taxes have not changed with the adoption of ASC 606.

Revenue from Defense Electronics Segment

The Company's Defense Electronics segment earns a substantial portion of its revenue as either a prime contractor or subcontractor from contract awards with the U.S. Government, as well as foreign governments and other commercial customers. These contracts are typically long-term in nature, usually greater than one year and do not include a material long-term financing component.

either implicitly or explicitly. Revenue and profits from such contracts are recognized under the percentage-of-completion (over time) method of accounting. Revenue and profits on fixed-price contracts that contain engineering as well as production requirements are recorded based on the ratio of total actual incurred costs to date to the total estimated costs for each contract (cost-to-cost method).

Using the cost-to-cost method, revenue is recorded at amounts equal to the ratio of actual cumulative costs incurred divided by total estimated costs at completion, multiplied by the total estimated contract revenue, less the cumulative revenue recognized in prior periods. The profit recorded on a contract using this method is equal to the current estimated total profit margin multiplied by the cumulative revenue recognized, less the amount of cumulative profit previously recorded for the contract in prior periods. As this method relies on the substantial use of estimates, these projections may be revised throughout the life of a contract. Components of this formula and ratio that may be estimated include gross profit margin and total costs at completion. The cost performance and estimates to complete long-term contracts are reviewed, at a minimum, on a quarterly basis, as well as when information becomes available that would necessitate a review of the current estimate. Adjustments to estimates for a contract's estimated costs at completion and estimated profit or loss are often required as experience is gained, more information is obtained (even though the scope of work required under the contract may or may not change) and contract modifications occur. The impact of such adjustments to estimates is made on a cumulative basis in the period when such information has become known. For the three and six months ended March 31, 2019, income from operations included net favorable/(unfavorable) catch-up adjustments approximating \$(2,800) and \$(5,300), respectively. For the three and six months ended March 31, 2018, income from operations included net favorable/(unfavorable) catch up adjustments approximating \$(1,800) and \$(1,300), respectively. Gross profit is impacted by a variety of factors, including the mix of products, systems and services, production efficiencies, price competition and general economic conditions.

Revenue and profits on cost-reimbursable type contracts are recognized as allowable costs are incurred on the contract at an amount equal to the allowable costs plus the estimated profit on those costs. The estimated profit on a cost-reimbursable contract may be fixed or variable based on the contractual fee arrangement. Incentive and award fees on these contracts are recorded as revenue when the criteria under which they are earned are reasonably assured of being met and can be estimated.

For contracts with multiple performance obligations, judgment is required to determine whether performance obligations specified in these contracts are distinct and should be accounted for as separate revenue transactions for recognition purposes. In these types of contracts, the Company allocates the total transaction price to each performance obligation in an amount based on the estimated relative standalone selling prices of the promised goods or services underlying each performance obligation. The Company uses an observable price to determine the stand-alone selling price for separate performance obligations or a cost plus margin approach when one is not available.

For contracts in which anticipated total costs exceed the total expected revenue, an estimated loss is recognized in the period when identifiable. A provision for the entire amount of the estimated loss is recorded on a cumulative basis. The estimated remaining costs to complete loss contracts as of March 31, 2019 and September 30, 2018 were approximately \$7,400 and \$12,200, respectively, and is recorded as a reduction to gross margin on the Consolidated Statements of Operations and Comprehensive Income (Loss). This loss had an immaterial impact on Griffon's Consolidated Financial Statements.

Amounts representing contract change orders or claims are included in revenue only when they can be reliably estimated and their realization is probable, and are determined on a percentage-of-completion basis measured by the cost-to-cost method.

Substantially all of Telephonics' U.S. Government end-user contracts contain a termination for convenience clause, regardless whether Telephonics is the prime contractor or the subcontractor. This clause generally entitles Telephonics, upon a termination for convenience, to receive the purchase price for delivered items, reimbursement of allowable work-in-process costs, and an allowance for profit. Allowable costs would include the costs to terminate existing agreements with suppliers.

From time to time, Telephonics may combine contracts if they are negotiated together, have specific requirements to combine, or are otherwise closely related.

Transaction Price Allocated to the Remaining Performance Obligations

On March 31, 2019, we had \$378,300 of remaining performance obligations, which we also refer to as total backlog. We expect to recognize approximately 73% of our remaining performance obligations as revenue within one year, with the balance to be completed thereafter.

Backlog represents the dollar value of funded orders for which work has not been performed. Backlog generally increases with bookings, and converts into revenue as we incur costs related to contractual commitments or the shipment of product. Given the nature of our business and a larger dependency on international customers, our bookings, and therefore our backlog, is impacted by the longer maturation cycles resulting in delays in the timing and amounts of such awards, which are subject to numerous factors, including fiscal constraints placed on customer budgets; political uncertainty; the timing of customer negotiations; and

the timing of governmental approvals.

Contract Balances

Contract assets were \$83,904 as of March 31, 2019 compared to \$121,803 as of September 30, 2018. The \$37,899 decrease in our contract assets balance was primarily due to the implementation of ASC 606. Excluding the impact of ASC 606, the decrease was primarily due to the timing of billings and work performed on various radar and surveillance programs. Contract assets primarily relate to the Company's right to consideration for work completed but not billed at the reporting date and are recorded in Contract costs and recognized income not yet billed, net of progress payments in the Consolidated Balance Sheets. Contract assets are transferred to receivables when the right to consideration becomes unconditional. Contract costs and recognized income not yet billed consists of amounts accounted for under the percentage of completion method of accounting, recoverable costs and accrued profit that cannot yet be invoiced under the terms of certain long-term contracts. Amounts will be invoiced when applicable contract terms, such as the achievement of specified milestones or product delivery, are met. At March 31, 2019 and September 30, 2018, approximately \$21,700 and \$29,500, respectively, of contract costs and recognized income not yet billed were expected to be collected after one year. As of March 31, 2019 and September 30, 2018, Contract costs and recognized income not yet billed included \$700 and \$400, respectively, of reserves for contract risk.

Contract liabilities were \$28,227 as of March 31, 2019 compared to \$17,559 as of September 30, 2018. The \$10,668 increase in the contract liabilities balance was primarily due to the implementation of ASC 606. Contract liabilities relate to advance consideration received from customers for which revenue has not been recognized. The Company often receives cash payments from customers in advance of the Company's performance resulting in contract liabilities. These contract liabilities are classified as current on the Consolidated Balance Sheets based on the timing of when the Company expects to recognize revenue. Current contract liabilities are recorded in Accounts payable on the Consolidated Balance Sheets. Contract liabilities are reduced when the associated revenue from the contract is recognized.

NOTE 4 – ACQUISITIONS

Griffon accounts for acquisitions under the acquisition method, in which assets acquired and liabilities assumed are recorded at fair value as of the date of acquisition using a method substantially similar to the goodwill impairment test methodology (level 3 inputs). The operating results of the acquired companies are included in Griffon's consolidated financial statements from the date of acquisition; in each instance, Griffon is in the process of finalizing the initial purchase price allocation unless otherwise noted.

On June 4, 2018, CBP completed the acquisition of 100% of the outstanding stock of CornellCookson, a leading US manufacturer and marketer of rolling steel door and grille products designed for commercial, industrial, institutional and retail use, for \$180,000, excluding the estimated present value of tax benefits, and \$12,426 of post-closing adjustments, primarily consisting of a working capital adjustment. The acquisition of CornellCookson substantially expanded CBP's non-residential product offerings, and added an established professional dealer network focused on rolling steel door and grille products for commercial, industrial, institutional and retail use. There is no other contingent consideration arrangement relative to the acquisition of CornellCookson.

CornellCookson's accounts, affected for adjustments to reflect fair market values assigned to assets purchased and liabilities assumed, and results of operations are included in the Company's consolidated financial statements from the date of acquisition. The Company has recorded a preliminary allocation of the purchase price to the Company's tangible and identifiable intangible assets acquired and liabilities assumed based on their fair market values (level 3 inputs) at the acquisition date. The excess of the purchase price over the fair value of the net tangible and intangible assets was recorded as goodwill and is deductible for tax purposes. Goodwill recognized at the acquisition date represents the other intangible benefits that the Company will derive from the ownership of CornellCookson; however, such intangible benefits do not meet the criteria for recognition of separately identifiable intangible assets.

The calculation of the preliminary purchase price allocation, which is pending finalization of tax-related items and completion of the related final valuation, is as follows:

Accounts receivable ⁽¹⁾	\$	30,400
Inventories ⁽²⁾		12,336
Property, plant and equipment		49,426
Goodwill		43,183
Intangible assets		67,600
Other current and non-current assets		2,648
Total assets acquired		205,593
Accounts payable and accrued liabilities		12,507
Long-term liabilities		660
Total liabilities assumed		13,167
Total	\$	192,426

⁽¹⁾ Includes \$30,818 of gross accounts receivable of which \$418 was not expected to be collected. The fair value of accounts receivable approximated book value acquired.

⁽²⁾ Includes \$13,434 of gross inventory of which \$1,098 was reserved for obsolete inventory.

The preliminary amounts assigned to goodwill and major intangible asset classifications, all of which are tax deductible, for the CornellCookson acquisition are as follows:

		Average Life (Years)
Goodwill	\$ 43,183	N/A
Indefinite-lived intangibles	53,500	N/A
Definite-lived intangibles	14,100	12
Total goodwill and intangible assets	\$ 110,783	

On February 13, 2018, AMES acquired 100% of the outstanding stock of Kelkay Limited ("Kelkay"), a leading United Kingdom manufacturer and distributor of decorative outdoor landscaping products sold to garden centers, retailers and grocers in the UK and Ireland for \$56,118 (GBP 40,452), subject to contingent consideration of up to GBP 7,000. This acquisition broadened AMES' product offerings in the market and increased its in-country operational footprint. The purchase price was primarily allocated to tradenames of GBP 19,000, customer related intangibles of GBP 6,640, accounts receivable and inventory of GBP 8,894 and fixed asset and land of GBP 8,241.

On November 6, 2017, AMES acquired substantially all of the assets of Harper Brush Works ("Harper"), a division of Horizon Global, for \$4,383, inclusive of post-closing adjustments. Harper is a leading U.S. manufacturer of cleaning products for professional, home, and industrial use. The acquisition expanded AMES' long-handled tool offering in North America to include brooms, brushes, and other cleaning tools and accessories. The purchase price was primarily allocated to intangible assets of \$2,300, inventory and accounts receivable of \$3,900 and fixed assets of \$900.

On October 2, 2017, Griffon Corporation completed the acquisition of ClosetMaid, a market leader in home storage and organization products, for approximately \$185,700, inclusive of certain post-closing adjustments and excluding the present value of net tax benefits from the transaction. The acquisition of ClosetMaid expanded Griffon's Home and Building Products segment into the highly complementary home storage and organization category with a leading brand and product portfolio.

ClosetMaid's accounts, affected for adjustments to reflect fair market values assigned to assets purchased and liabilities assumed, and results of operations, are included in the Company's consolidated financial statements from the date of acquisition. The Company has recorded an allocation of the purchase price to the Company's tangible and identifiable intangible assets acquired and liabilities assumed based on their fair market values (level 3 inputs) at the acquisition date. The excess of the purchase price

over the fair value of the net tangible and intangible assets was recorded as goodwill and is deductible for tax purposes. Goodwill recognized at the acquisition date represents the other intangible benefits that the Company will derive from the ownership of ClosetMaid; however, such intangible benefits do not meet the criteria for recognition of separately identifiable intangible assets.

The calculation of the final purchase price allocation is as follows:

Accounts receivable ⁽¹⁾	\$	32,234
Inventories ^{(2), (3)}		28,411
Property, plant and equipment		47,464
Goodwill		70,159
Intangible assets		74,580
Other current and non-current assets		3,852
Total assets acquired		<u>256,700</u>
Accounts payable and accrued liabilities		68,251
Long-term liabilities		2,720
Total liabilities assumed		<u>70,971</u>
Total	\$	<u>185,729</u>

⁽¹⁾ Includes \$32,956 of gross accounts receivable of which \$722 was not expected to be collected. The fair value of accounts receivable approximated book value acquired.

⁽²⁾ Includes \$29,079 of gross inventory of which \$668 was reserved for obsolete inventory. The fair value of inventory approximated book value acquired.

⁽³⁾ Includes \$1,500 in inventory basis step-up, which was charged to cost of goods sold over the inventory turns of the acquired entity.

The amounts assigned to goodwill and major intangible asset classifications, all of which are tax deductible, for the ClosetMaid acquisition are as follows:

		Average Life (Years)
Goodwill	\$ 70,159	N/A
Indefinite-lived intangibles	47,740	N/A
Definite-lived intangibles	26,840	21
Total goodwill and intangible assets	<u>\$ 144,739</u>	

The Company did not incur any acquisition costs during the three and six months ended March 31, 2019. During the three months ended March 31, 2018, selling, general and administrative expenses ("SG&A") included acquisition costs of \$814. During the six months ended March 31, 2018, SG&A and Cost of goods and services included acquisition costs of \$2,499 and \$1,500, respectively.

NOTE 5 – INVENTORIES

Inventories are stated at the lower of cost (first-in, first-out or average) or market.

The following table details the components of inventory:

	At March 31, 2019	At September 30, 2018
Raw materials and supplies	\$ 104,767	\$ 97,645
Work in process	112,264	83,578
Finished goods	240,040	217,136
Total	\$ 457,071	\$ 398,359

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

The following table details the components of property, plant and equipment, net:

	At March 31, 2019	At September 30, 2018
Land, building and building improvements	\$ 132,334	\$ 130,296
Machinery and equipment	557,351	544,875
Leasehold improvements	49,983	50,111
	739,668	725,282
Accumulated depreciation and amortization	(406,816)	(382,790)
Total	\$ 332,852	\$ 342,492

Depreciation and amortization expense for property, plant and equipment was \$12,980 and \$11,530 for the quarters ended March 31, 2019 and 2018, respectively, and \$25,647 and \$22,232 for the six months ended March 31, 2019 and 2018, respectively. Depreciation included in SG&A expenses was \$4,761 and \$3,834 for the quarters ended March 31, 2019 and 2018, respectively, and \$9,442 and \$7,576 for the six months ended March 31, 2019 and 2018, respectively. Remaining components of depreciation, attributable to manufacturing operations, are included in Cost of goods and services.

No event or indicator of impairment occurred during the six months ended March 31, 2019 which would require additional impairment testing of property, plant and equipment.

NOTE 7 – GOODWILL AND OTHER INTANGIBLES

The following table provides changes in the carrying value of goodwill by segment during the six months ended March 31, 2019:

	At September 30, 2018	Goodwill from acquisitions	Other adjustments including currency translations	At March 31, 2019
Home & Building Products	\$ 420,850	\$ 300	\$ (577)	\$ 420,573
Telephonics	18,545	—	—	18,545
Total	\$ 439,395	\$ 300	\$ (577)	\$ 439,118

The following table provides the gross carrying value and accumulated amortization for each major class of intangible assets:

	At March 31, 2019		Average Life (Years)	At September 30, 2018	
	Gross Carrying Amount	Accumulated Amortization		Gross Carrying Amount	Accumulated Amortization
Customer relationships & other	\$ 184,582	\$ 53,771	23	\$ 186,031	\$ 49,822
Technology and patents	19,321	6,789	13	19,004	6,238
Total amortizable intangible assets	203,903	60,560		205,035	56,060
Trademarks	221,397	—		221,883	—
Total intangible assets	\$ 425,300	\$ 60,560		\$ 426,918	\$ 56,060

Amortization expense for intangible assets was \$2,512 and \$1,783 for the quarters ended March 31, 2019 and 2018, respectively, and \$4,930 and \$4,039 for the six months ended March 31, 2019 and 2018. Amortization expense for the remainder of 2019 and the next five fiscal years and thereafter, based on current intangible balances and classifications, is estimated as follows: 2019 - \$4,400; 2020 - \$8,825; 2021 - \$8,825; 2022 - \$8,825; 2023 - \$8,746; 2024 - \$8,700; thereafter \$95,022.

No event or indicator of impairment occurred during the six months ended March 31, 2019 which would require impairment testing of long-lived intangible assets including goodwill.

NOTE 8 – INCOME TAXES

During the three months ended March 31, 2019, the Company recognized a tax provision of \$3,194 on income before taxes from continuing operations of \$9,684, compared to a tax provision of \$1,237 on income before taxes from continuing operations of \$3,188, in the comparable prior year quarter. The current year included net discrete tax benefits of \$97. The prior year quarter results included acquisition costs of \$814 (\$378, net of tax) and discrete and certain other tax provisions, net, that affect comparability of \$368. Excluding these items, the effective tax rates for the quarters ended March 31, 2019 and 2018 were 34.0% and 32.6%, respectively.

During the six months ended March 31, 2019, the Company recognized a tax provision of \$8,406 on Income before taxes from continuing operations of \$23,649, compared to a tax benefit of \$23,667 on Income before taxes from continuing operations of \$1,115 in the comparable prior year period. The six month period ended March 31, 2019 included net discrete tax provisions of \$370. The six month period ended March 31, 2018 included net discrete tax benefits of \$22,650 primarily related to the December 22, 2017 Tax Cuts and Jobs Act ("TCJA") associated with the revaluation of deferred tax liabilities, \$3,999 (\$2,726 net of tax) of acquisition costs, and \$2,614 (\$248 net of tax) of charges related to cost of life insurance benefits. Excluding these items, the effective tax rates for the six months ended March 31, 2019 and 2018 were 34.0% and 33.9%, respectively.

On December 22, 2017, the TCJA was signed into law, and, among other changes, reduced the federal statutory tax rate from 35.0% to 21.0%. In accordance with U.S. GAAP for income taxes, as well as SEC Staff Accounting Bulletin No. 118 ("SAB 118"), the Company made a reasonable estimate of the impacts of the TCJA and recorded this estimate in its results for the year ended September 30, 2018. SAB 118 allows for a measurement period of up to one year, from the date of enactment, to complete the Company's accounting for the impacts of the TCJA. Our analysis under SAB 118 was completed in December 2018 and resulted in no material adjustments to the provision amounts recorded as of September 30, 2018.

NOTE 9 – LONG-TERM DEBT

	At March 31, 2019					At September 30, 2018				
	Outstanding Balance	Original Issuer Premium	Capitalized Fees & Expenses	Balance Sheet	Coupon Interest Rate	Outstanding Balance	Original Issuer Premium	Capitalized Fees & Expenses	Balance Sheet	Coupon Interest Rate
Senior notes due 2022	(a) \$ 1,000,000	\$ 1,043	\$ (11,066)	\$ 989,977	5.25%	\$ 1,000,000	\$ 1,220	\$ (12,968)	\$ 988,252	5.25%
Revolver due 2021	(b) 157,936	—	(1,682)	156,254	Variable	25,000	—	(1,413)	23,587	Variable
ESOP Loans	(d) —	—	—	—	Variable	34,694	—	(186)	34,508	Variable
Capital lease - real estate	(e) 5,971	—	(68)	5,903	5.00%	7,503	—	(80)	7,423	5.00%
Non US lines of credit	(f) 17,423	—	(8)	17,415	Variable	7,951	—	(16)	7,935	Variable
Non US term loans	(f) 42,014	—	(182)	41,832	Variable	53,533	—	(148)	53,385	Variable
Other long term debt	(g) 5,640	—	(19)	5,621	Variable	6,011	—	(19)	5,992	Variable
Totals	1,228,984	1,043	(13,025)	1,217,002		1,134,692	1,220	(14,830)	1,121,082	
less: Current portion	(10,807)	—	—	(10,807)		(13,011)	—	—	(13,011)	
Long-term debt	\$ 1,218,177	\$ 1,043	\$ (13,025)	\$ 1,206,195		\$ 1,121,681	\$ 1,220	\$ (14,830)	\$ 1,108,071	

	Three Months Ended March 31, 2019					Three Months Ended March 31, 2018				
	Effective Interest Rate ⁽¹⁾	Cash Interest	Amort. Debt Discount	Amort. Debt Issuance Costs & Other Fees	Total Interest Expense	Effective Interest Rate ⁽¹⁾	Cash Interest	Amort. Debt Premium	Amort. Debt Issuance Costs & Other Fees	Total Interest Expense
Senior notes due 2022	(a) 5.7%	\$ 13,125	\$ 66	\$ 951	\$ 14,142	5.7%	\$ 13,125	\$ 68	\$ 943	\$ 14,136
Revolver due 2021	(b) Variable	1,631	—	400	2,031	Variable	922	—	140	1,062
Real estate mortgages	(c) n/a	—	—	—	—	n/a	166	—	303	469
ESOP Loans	(d) 7.2%	449	—	155	604	4.6%	442	—	31	473
Capital lease - real estate	(e) 5.6%	101	—	6	107	5.5%	327	—	7	334
Non US lines of credit	(f) Variable	4	—	4	8	Variable	4	—	—	4
Non US term loans	(f) Variable	449	—	26	475	Variable	330	—	18	348
Other long term debt	(g) Variable	147	—	3	150	Variable	114	—	1	115
Capitalized interest		—	—	—	—		(135)	—	—	(135)
Totals		\$ 15,906	\$ 66	\$ 1,545	\$ 17,517		\$ 15,295	\$ 68	\$ 1,443	\$ 16,806

(1) n/a = not applicable

	Six Months Ended March 31, 2019					Six Months Ended March 31, 2018					
		Effective Interest Rate (1)	Cash Interest	Amort. Debt Discount	Amort. Debt Issuance Costs & Other Fees	Total Interest Expense	Effective Interest Rate	Cash Interest	Amort. Debt Premium	Amort. Debt Issuance Costs & Other Fees	Total Interest Expense
Senior notes due 2022	(a)	5.7%	26,250	134	1,902	28,286	5.7%	26,250	135	1,882	28,267
Revolver due 2021	(b)	Variable	2,564	—	541	3,105	Variable	2,278	—	281	2,559
Real estate mortgages	(c)	n/a	—	—	—	—	n/a	351	—	320	671
ESOP Loans	(d)	6.6%	937	—	186	1,123	4.3%	855	—	62	917
Capital lease - real estate	(e)	5.5%	216	—	12	228	10.7%	491	—	13	504
Non US lines of credit	(f)	Variable	11	—	8	19	Variable	11	—	7	18
Non US term loans	(f)	Variable	897	—	53	950	Variable	664	—	51	715
Other long term debt	(g)	Variable	329	—	6	335	Variable	229	—	3	232
Capitalized interest			—	—	—	—		(238)	—	—	(238)
Totals			<u>\$31,204</u>	<u>\$ 134</u>	<u>\$ 2,708</u>	<u>\$34,046</u>		<u>\$30,891</u>	<u>\$ 135</u>	<u>\$ 2,619</u>	<u>\$33,645</u>

(a) On October 2, 2017, in an unregistered offering through a private placement under Rule 144A, Griffon completed the add-on offering of \$275,000 principal amount of its 5.25% senior notes due 2022, at 101.00% of par, to Griffon's previously issued \$125,000 principal amount of its 5.25% senior notes due 2022, at 98.76% of par, completed on May 18, 2016 and \$600,000 5.25% senior notes due 2022, at par, completed on February 27, 2014 (collectively the "Senior Notes"). As of March 31, 2019, outstanding Senior Notes due totaled \$1,000,000; interest is payable semi-annually on March 1 and September 1. The net proceeds of the \$275,000 add-on offering were used to acquire ClosetMaid with the remaining proceeds used to pay down outstanding loan borrowings under Griffon's Revolving Credit Facility (the "Credit Agreement"). The net proceeds of the previously issued \$125,000 add-on offering were used to pay down outstanding revolving loan borrowings under the Credit Agreement.

The Senior Notes are senior unsecured obligations of Griffon guaranteed by certain domestic subsidiaries, and subject to certain covenants, limitations and restrictions. On February 5, 2018, July 20, 2016 and June 18, 2014, Griffon exchanged all of the \$275,000, \$125,000 and \$600,000 Senior Notes, respectively, for substantially identical Senior Notes registered under the Securities Act via an exchange offer. The fair value of the Senior Notes approximated \$985,770 on March 31, 2019 based upon quoted market prices (level 1 inputs). In connection with the issuance and exchange of the \$275,000 senior notes, Griffon capitalized \$8,472 of underwriting fees and other expenses; this is in addition to the \$13,329 capitalized under previously issued \$600,000 Senior Notes. All capitalized fees for the Senior Notes will amortize over the term of the notes and, at March 31, 2019, \$11,066 remained to be amortized.

(b) On March 22, 2016, Griffon amended the Credit Agreement to increase the commitments under the credit facility from \$250,000 to \$350,000, extend its maturity date from March 13, 2020 to March 22, 2021 and modify certain other provisions of the facility. On October 2, 2017 and on May 31, 2018, Griffon amended the Credit Agreement in connection with the ClosetMaid and CornellCookson acquisitions, respectively to, among other things, modify the net leverage covenant. On February 22, 2019, Griffon further amended the Revolving Credit Facility to, among other things, reflect changes in the lending group and certain corresponding changes in various administrative roles under the Revolving Credit Facility, make conforming administrative and technical changes and reflect changes in law. The facility includes a letter of credit sub-facility with a limit of \$50,000 and a multi-currency sub-facility of \$100,000. The Credit Agreement provides for same day borrowings of base rate loans. Borrowings under the Credit Agreement may be repaid and re-borrowed at any time, subject to final maturity of the facility or the occurrence of an event of default under the Credit Agreement. Interest is payable on borrowings at either a LIBOR or base rate benchmark rate, in each case without a floor, plus an applicable margin, which adjusts based on financial performance. Current margins are 1.75% for base rate loans and 2.75% for LIBOR loans. The Credit Agreement has certain financial maintenance tests including a maximum total leverage ratio, a maximum senior secured leverage ratio and a minimum interest coverage ratio, as well as customary affirmative and negative covenants and events of default. The negative covenants place limits on Griffon's ability to, among other things, incur indebtedness, incur liens, and make restricted payments and investments. Borrowings under the Credit Agreement are guaranteed by Griffon's material domestic subsidiaries and are secured, on a first priority basis, by substantially all domestic assets of the Company and the guarantors, and a pledge of not greater than 65% of the equity interest in Griffon's material, first-tier foreign subsidiaries. At March 31, 2019, under the Credit Agreement, there were \$157,936 outstanding borrowings; outstanding standby letters of credit were \$16,081; and \$175,983 was available, subject to certain loan covenants, for borrowing at that date.

(c) In September 2015 and March 2016, Griffon entered into mortgage loans in the amounts of \$32,280 and \$8,000, respectively, and were due to mature in September 2025 and April 2018, respectively. The mortgage loans were secured and collateralized by four properties occupied by Griffon's subsidiaries and were guaranteed by Griffon. The loans had an interest rate of LIBOR plus 1.50%. The loans were paid off during the year ended September 30, 2018.

(d) In August 2016, Griffon's ESOP entered into an agreement that refinanced the existing ESOP loan into a new Term Loan in the amount of \$35,092 (the "Agreement"). The Agreement also provided for a Line Note with \$10,908 available to purchase shares of Griffon common stock in the open market. During 2017, Griffon's ESOP purchased 621,875 shares of common stock for a total of \$10,908 or \$17.54 per share, under a borrowing line that has now been fully utilized. On June 30, 2017, the Term Loan and Line Note were combined into a single Term Loan. The Term Loan interest rate was LIBOR plus 2.91%. The Term Loan required quarterly principal payments of \$569 and a balloon payment due at maturity. As a result of the special cash dividend of \$1.00 per share, paid on April 16, 2018, the outstanding balance of the Term Loan was reduced by \$5,705. The Term Loan was secured by shares purchased with the proceeds of the loan and with a lien on a specific amount of Griffon assets (which ranked pari passu with the lien granted on such assets under the Credit Agreement) and was guaranteed by Griffon. On March 13, 2019, the ESOP Term Loan was refinanced with an internal loan from Griffon which was funded with cash and a draw on its \$350,000 credit facility. The internal loan interest rate is fixed at 2.91%, matures in June 2033

and requires quarterly payments of principal, currently \$569, and interest. The internal loan is secured by shares purchased with the proceeds of the loan. The amount outstanding on the internal loan at March 31, 2019 was \$33,556.

(e) Two Griffon subsidiaries have capital leases outstanding for real estate located in Troy, Ohio and Ocala, Florida. The leases mature in 2021 and 2022, respectively, and bear interest at fixed rates of approximately 5.0% and 8.0%, respectively. The Troy, Ohio lease is secured by a mortgage on the real estate and is guaranteed by Griffon. The Ocala, Florida lease contains two five-year renewal options. At March 31, 2019, \$5,903 was outstanding, net of issuance costs.

(f) In November 2012, Garant G.P. ("Garant") entered into a CAD \$15,000 (\$11,174 as of March 31, 2019) revolving credit facility. The facility accrues interest at LIBOR (USD) or the Bankers Acceptance Rate (CDN) plus 1.3% per annum (3.79% LIBOR USD and 3.14% Bankers Acceptance Rate CDN as of March 31, 2019). The revolving facility matures in October 2019. Garant is required to maintain a certain minimum equity. At March 31, 2019, there were no borrowings under the revolving credit facility with CAD 15,000 (\$11,174 as of March 31, 2019) available for borrowing.

In July 2016, Griffon Australia Holdings Pty Ltd and its Australian subsidiaries ("Griffon Australia") entered into an AUD 30,000 term loan and an AUD 10,000 revolver. The term loan refinanced two existing term loans and the revolver replaced two existing lines. In December 2016, the amount available under the revolver was increased from AUD 10,000 to AUD 20,000 and, in March 2017 and September 2017, the term loan commitment was increased by AUD 5,000 and AUD 15,000, respectively. In March 2019, the term loan commitment was reduced by AUD \$10,000 with proceeds from a receivable purchase agreement in the amount of AUD 10,000. The term loan requires quarterly principal payments of AUD 1,250 plus interest with a balloon payment of AUD 13,375 due upon maturity in March 2022, and accrues interest at Bank Bill Swap Bid Rate "BBSY" plus 1.90% per annum (3.62% at March 31, 2019). As of March 31, 2019, the term loan had an outstanding balance of AUD 28,375 (\$20,104 as of March 31, 2019). The revolving facility and receivable purchase facility mature in March 2020, but are renewable upon mutual agreement with the lender. The revolving facility and receivable purchase facility accrue interest at BBSY plus 1.8% and 1.0%, respectively, per annum (3.55% and 2.75%, respectively, at March 31, 2019). At March 31, 2019, the revolver and receivable purchase facilities had outstanding balances of AUD 6,000 and AUD 10,000, respectively (\$4,251 and \$7,085, respectively, as of March 31, 2019). The revolver, receivable purchase facility and the term loan are all secured by substantially all of the assets of Griffon Australia and its subsidiaries. Griffon Australia is required to maintain a certain minimum equity level and is subject to a maximum leverage ratio and a minimum fixed charges cover ratio.

In July 2018, the AMES Companies UK Ltd and its subsidiaries ("AMES UK") entered into a GBP 14,000 term loan, GBP 4,000 mortgage loan and GBP 5,000 revolver. The term loan and mortgage loan require quarterly principal payments of GBP 350 and GBP 83 plus interest, respectively, and have balloon payments due upon maturity, July 2023, of GBP 7,000 and GBP 2,333, respectively. The Term Loan and Mortgage Loans accrue interest at the GBP LIBOR Rate plus 2.25% and 1.8%, respectively (3.10% and 2.65% at March 31, 2019, respectively). The revolving facility matures in July 2019, but is renewable upon mutual agreement with the lender, and accrues interest at the Bank of England Base Rate plus 1.5% (2.25% as of March 31, 2019). As of March 31, 2019, the revolver had an outstanding balance of GBP 4,639 (\$6,087 as March 31, 2019) while the term and mortgage loan balances amounted to GBP \$16,698 (\$21,910 as of March 31, 2019). The revolver and the term loan are both secured by substantially all of the assets of AMES UK and its subsidiaries. AMES UK is subject to a maximum leverage ratio and a minimum fixed charges cover ratio. An invoice discounting arrangement was canceled and replaced by the above loan facilities.

(g) Other long-term debt consists primarily of a loan with the Pennsylvania Industrial Development Authority, with the balance consisting of capital leases.

At March 31, 2019, Griffon and its subsidiaries were in compliance with the terms and covenants of all credit and loan agreements.

NOTE 10 — SHAREHOLDERS' EQUITY

During 2019, the Company paid a quarterly cash dividend of \$0.0725 per share in each quarter, totaling \$0.145 per share for the six months ended March 31, 2019. During 2018, the Company paid a quarterly cash dividend of \$0.07 per share, totaling \$0.28 per share for the year. In addition, on March 7, 2018, the Board of Directors declared a special cash dividend of \$1.00 per share, totaling \$38,073, paid on April 16, 2018 to shareholders of record as of the close of business on March 29, 2018. Dividends paid on shares in the ESOP were used to offset ESOP loan payments and recorded as a reduction of debt service payments and compensation expense. A dividend payable was established for the holders of restricted shares; such dividends will be released upon vesting of the underlying restricted shares. In March 2019, the ESOP Term Loan was refinanced with a loan from Griffon which was funded with cash and a draw on its \$350,000 credit facility, and dividend paid on allocated shares in the ESOP are allocated to participant accounts in the form of additional shares.

On May 2, 2019, the Board of Directors declared a quarterly cash dividend of \$0.0725 per share, payable on June 20, 2019 to shareholders of record as of the close of business on May 24, 2019.

Compensation expense for restricted stock is recognized ratably over the required service period based on the fair value of the grant, calculated as the number of shares granted multiplied by the stock price on the date of grant and, for performance shares, the likelihood of achieving the performance criteria. Compensation cost related to stock-based awards with graded vesting, generally over a period of three to four years, is recognized using the straight-line attribution method and recorded within SG&A expenses.

On January 29, 2016, shareholders approved the Griffon Corporation 2016 Equity Incentive Plan ("Incentive Plan") under which awards of performance shares, performance units, stock options, stock appreciation rights, restricted shares, restricted stock units, deferred shares and other stock-based awards may be granted. On January 31, 2018, shareholders approved Amendment No. 1 to the Incentive Plan pursuant to which, among other things, 1,000,000 shares were added to the Incentive Plan. Options granted under the Incentive Plan may be either "incentive stock options" or nonqualified stock options, generally expire ten years after the date of grant and are granted at an exercise price of not less than 100% of the fair market value at the date of grant. The maximum number of shares of common stock available for award under the Incentive Plan is 3,350,000 (600,000 of which may be issued as incentive stock options), plus (i) any shares reserved for issuance under the 2011 Equity Incentive Plan as of the effective date of the Incentive Plan, and (ii) any shares underlying awards outstanding on such effective date under the 2011 Incentive Plan that are canceled or forfeited. As of March 31, 2019, there were 276,442 shares available for grant.

All grants outstanding under former equity plans will continue under their terms; no additional awards will be granted under such plans.

During the first quarter of 2019, Griffon granted 1,194,538 shares of restricted stock and restricted stock units. This included 666,538 shares of restricted stock and restricted stock units, subject to certain performance conditions, with vesting periods of three years, with a total fair value of \$8,105, or a weighted average fair value of \$12.16 per share. This also included 528,000 shares of restricted stock granted to two senior executives with a vesting period of four years and a two year post-vesting holding period, subject to the achievement of certain absolute and relative performance conditions relating to the price of Griffon's common stock. So long as the minimum performance condition is attained, the amount of shares that can vest will range from 384,000 to 528,000. The total fair value of these restricted shares is approximately \$3,576, or a weighted average fair value of \$6.77. During the second quarter, Griffon granted 62,227 restricted shares, subject to certain performance conditions, with a vesting period of three years and a fair value of \$990, or a weighted average fair value of \$15.91 per share.

For the quarters ended March 31, 2019 and 2018, stock based compensation expense totaled \$3,422 and \$2,365, respectively. For the six months ended March 31, 2019 and 2018, stock based compensation expense totaled \$6,355 and \$4,920, respectively.

On each of August 3, 2016 and August 1, 2018, Griffon's Board of Directors authorized the repurchase of up to \$50,000 of Griffon's outstanding common stock. Under this share repurchase program, the Company may purchase shares in the open market, including pursuant to a 10b5-1 plan, or in privately negotiated transactions. During the quarter and six months ended March 31, 2019, Griffon purchased 8,200 and 37,500 shares, respectively, of common stock under these repurchase programs, for a total of \$82 or \$9.95 per share, and \$372 or \$9.92 per share, respectively. As of March 31, 2019, an aggregate of \$57,955 remains under Griffon's Board authorized repurchase programs.

In addition, during the quarter and six months ended March 31, 2019, 2,714 shares, with a market value of \$49 or \$17.90 per share, and 85,847 shares, with a market value of \$1,059, or \$12.34 per share, respectively, were withheld to settle employee taxes due upon the vesting of restricted stock, and were added to treasury stock. During the first quarter ended December 31, 2018, an additional 3,861 shares, with a market value of \$47, or \$12.16 per share, were withheld from common stock issued upon the vesting of restricted stock units to settle employee taxes due upon vesting.

NOTE 11 – EARNINGS PER SHARE (EPS)

Basic EPS (and diluted EPS in periods when a loss exists) was calculated by dividing income available to common shareholders by the weighted average number of shares of common stock outstanding during the period. Diluted EPS was calculated by dividing income available to common shareholders by the weighted average number of shares of common stock outstanding.

The following table is a reconciliation of the share amounts (in thousands) used in computing earnings per share:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2019	2018	2019	2018
Weighted average shares outstanding - basic	40,949	41,477	40,849	41,700
Incremental shares from stock based compensation	1,883	1,288	1,527	1,362
Weighted average shares outstanding - diluted	42,832	42,765	42,376	43,062

NOTE 12 – BUSINESS SEGMENTS

Griffon's reportable segments from continuing operations are as follows:

- HBP is a global provider of long-handled tools and landscaping products for homeowners and professionals; a leading North American manufacturer and marketer of wood and wire closet organization, general living storage and wire garage storage products to home center retail chains, mass merchandisers, and direct-to builder professional installers; a leading manufacturer and marketer of residential and commercial garage doors to professional dealers and to some of the largest home center retail chains in North America; as well as a leading U.S. manufacturer and marketer of rolling steel door and grille products designed for commercial, industrial, institutional, and retail use.
- Defense Electronics segment consists of Telephonics, a globally recognized leading provider of highly sophisticated intelligence, surveillance and communications solutions for defense, aerospace and commercial customers.

On November 16, 2017, Griffon announced it entered into a definitive agreement to sell Clopay Plastics Products Company, Inc. ("PPC") and on February 6, 2018, completed the sale to Berry Global Group, Inc. ("Berry"). As a result, Griffon classified the results of operations of the PPC business as discontinued operations in the Consolidated Statements of Operations for all periods presented and classified the related assets and liabilities associated with the discontinued operations in the consolidated balance sheets. All results and information presented exclude PPC unless otherwise noted. See Note 15, Discontinued Operations to the Notes of the Financial Statements.

On June 4, 2018, CBP acquired CornellCookson, a leading US manufacturer and marketer of rolling steel door and grille products designed for commercial, industrial, institutional and retail use. The accounts, affected for preliminary adjustments to reflect fair market values assigned to assets purchased and liabilities assumed, and results of operations of CornellCookson, are included in the Company's consolidated financial statements from the date of acquisition.

Information on Griffon's reportable segments from continuing operations is as follows:

REVENUE	For the Three Months Ended March 31,		For the Six Months Ended March 31,	
	2019	2018	2019	2018
Home & Building Products:				
AMES	\$ 287,732	\$ 258,196	\$ 504,206	\$ 474,938
CBP	186,799	138,112	410,094	292,348
Home & Building Products	474,531	396,308	914,300	767,286
Defense Electronics	75,102	82,252	145,855	148,577
Total consolidated net sales	\$ 549,633	\$ 478,560	\$ 1,060,155	\$ 915,863

Disaggregation of Revenue

Revenue from contracts with customers is disaggregated by end markets, segments and geographic location, as it more accurately depicts the nature and amount of the Company's revenue.

The following table presents revenue disaggregated by end market and segment:

	For the Quarter Ended March 31, 2019	For the Six Months Ended March 31, 2019
Residential repair and remodel	\$ 128,711	\$ 269,236
Retail	162,576	275,941
Commercial construction	76,181	160,557
Residential new construction	33,892	73,716
Industrial	11,416	21,174
International excluding North America	61,755	113,676
Total Home and Building Products segment	474,531	914,300
U.S. Government	46,376	91,936
International	23,129	45,228
Commercial	5,597	8,691
Total Defense Electronics segment	75,102	145,855
Total Consolidated Revenue	\$ 549,633	\$ 1,060,155

The following table presents revenue disaggregated by geography based on the location of the Company's customer:

Revenue by Geographic Area - Destination	For the Three Months Ended March 31, 2019		
	Home & Building Products	Defense Electronics	Total
United States	\$ 380,390	\$ 51,179	\$ 431,569
Europe	20,372	8,490	28,862
Canada	25,828	3,058	28,886
Australia	42,016	979	42,995
All other countries	5,925	11,396	17,321
Consolidated revenue	\$ 474,531	\$ 75,102	\$ 549,633

For the Six Months Ended March 31, 2019

Revenue by Geographic Area - Destination	Home & Building Products		Defense Electronics		Total
United States	\$	733,133	\$	99,474	\$ 832,607
Europe		28,254		18,801	47,055
Canada		56,175		5,687	61,862
Australia		86,238		1,588	87,826
All other countries		10,500		20,305	30,805
Consolidated revenue	\$	914,300	\$	145,855	\$ 1,060,155

The following table reconciles segment operating profit to Income (loss) before taxes from continuing operations:

INCOME BEFORE TAXES FROM CONTINUING OPERATIONS	For the Three Months Ended March 31,		For the Six Months Ended March 31,	
	2019	2018	2019	2018
Segment operating profit:				
Home & Building Products	\$ 36,021	\$ 28,478	\$ 75,566	\$ 56,229
Defense Electronics	2,315	1,302	4,464	2,782
Segment operating profit from continuing operations	38,336	29,780	80,030	59,011
Net interest expense	(17,305)	(16,044)	(33,636)	(32,686)
Unallocated amounts	(11,347)	(10,541)	(22,745)	(20,977)
Acquisition costs	—	(7)	—	(1,619)
Cost of life insurance benefit	—	—	—	(2,614)
Income before taxes from continuing operations	\$ 9,684	\$ 3,188	\$ 23,649	\$ 1,115

Griffon evaluates performance and allocates resources based on each segment's operating results before interest income and expense, income taxes, depreciation and amortization, unallocated amounts (mainly corporate overhead), restructuring charges, loss on debt extinguishment and acquisition related expenses, as well as other items that may affect comparability, as applicable ("Segment adjusted EBITDA"). Griffon believes this information is useful to investors for the same reason.

The following table provides a reconciliation of Segment adjusted EBITDA to Income (loss) before taxes from continuing operations:

	For the Three Months Ended March 31,		For the Six Months Ended March 31,	
	2019	2018	2019	2018
Segment adjusted EBITDA:				
Home & Building Products	\$ 48,753	\$ 39,789	\$ 100,613	\$ 79,246
Defense Electronics	4,936	3,997	9,721	8,196
Total Segment adjusted EBITDA	53,689	43,786	110,334	87,442
Net interest expense	(17,305)	(16,044)	(33,636)	(32,686)
Segment depreciation and amortization	(15,353)	(13,199)	(30,304)	(26,051)
Unallocated amounts	(11,347)	(10,541)	(22,745)	(20,977)
Acquisition costs	—	(814)	—	(3,999)
Cost of life insurance benefit	—	—	—	(2,614)
Income before taxes from continuing operations	\$ 9,684	\$ 3,188	\$ 23,649	\$ 1,115

Unallocated amounts typically include general corporate expenses not attributable to a reportable segment.

<u>DEPRECIATION and AMORTIZATION</u>	For the Three Months Ended March 31,		For the Six Months Ended March 31,	
	2019	2018	2019	2018
Segment:				
Home & Building Products	\$ 12,732	\$ 10,504	\$ 25,047	\$ 20,637
Defense Electronics	2,621	2,695	5,257	5,414
Total segment depreciation and amortization	15,353	13,199	30,304	26,051
Corporate	139	114	273	220
Total consolidated depreciation and amortization	\$ 15,492	\$ 13,313	\$ 30,577	\$ 26,271

CAPITAL EXPENDITURES

Segment:				
Home & Building Products	\$ 6,330	\$ 8,192	\$ 13,475	\$ 14,850
Defense Electronics	2,499	2,442	3,733	4,385
Total segment	8,829	10,634	17,208	19,235
Corporate	192	209	210	2,393
Total consolidated capital expenditures	\$ 9,021	\$ 10,843	\$ 17,418	\$ 21,628

ASSETS	At March 31, 2019	At September 30, 2018
Segment assets:		
Home & Building Products	\$ 1,729,199	\$ 1,631,631
Defense Electronics	325,179	346,907
Total segment assets	2,054,378	1,978,538
Corporate	86,305	103,112
Total continuing assets	2,140,683	2,081,650
Assets of discontinued operations	3,225	3,240
Consolidated total	<u>\$ 2,143,908</u>	<u>\$ 2,084,890</u>

NOTE 13 – EMPLOYEE BENEFIT PLANS

In March 2017, the FASB issued ASU 2017-07, Compensation - Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost, which changed certain presentation and disclosure requirements for employers that sponsor defined benefit and post-retirement pension plans. The new standard requires the service cost component of the net benefit cost to be in the same line item as other compensation in operating income and the other components of net benefit plan cost, including interest costs, amortization of prior service costs and recognized actuarial costs to be presented outside of operating income on a retrospective basis. The standard was effective for fiscal years beginning after December 15, 2017. The Company adopted the requirements of the standard in the first quarter of 2019 on a retrospective basis reclassifying the other components of the net periodic benefit plan costs from Selling, general and administrative expenses to a non-service expense within Other income (expense). The defined benefit and post-retirement pension plans did not have a service cost component. The Company utilized a practical expedient included in the accounting guidance which allowed the Company to use amounts previously disclosed in its pension and other post-retirement benefits note for the prior period as the estimation basis for applying the required retrospective presentation requirements.

The Company's non-service cost components of net periodic benefit plan cost was a benefit of \$787 and \$882 during the three months ended March 31, 2019 and 2018, respectively and \$1,574 and \$1,764 during the six months ended March 31, 2019 and 2018, respectively. The impact of this adoption resulted in a reclassification to the Company's Consolidated Statements of Operations and Comprehensive Income (Loss) for the three and six months ended March 31, 2018, in which previously reported selling, general and administrative expenses was increased by \$882 and \$1,764, respectively, with a corresponding offset to Other income (expense).

The remaining provisions of the standard did not have a material impact on our financial position, results of operations or liquidity.

Defined benefit pension expense (income) was as follows:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2019	2018	2019	2018
Interest cost	\$ 1,571	\$ 1,407	\$ 3,141	\$ 2,814
Expected return on plan assets	(2,583)	(2,639)	(5,166)	(5,278)
Amortization:				
Prior service cost	3	4	7	8
Recognized actuarial loss	222	346	444	692
Net periodic expense (income)	<u>\$ (787)</u>	<u>\$ (882)</u>	<u>\$ (1,574)</u>	<u>\$ (1,764)</u>

As a result of the passing of our Chairman of the Board, who participated in a Supplemental Executive Retirement Plan relating to his tenure as Chief Executive Officer (a position from which he retired in 2008), the pension benefit liability was reduced by \$13,715 at December 31, 2017, with the offset, net of tax, recorded in Other Comprehensive Income.

GRIFFON CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(US dollars and non US currencies in thousands, except per share data)

(Unaudited)

(Unless otherwise indicated, references to years or year-end refer to Griffon's fiscal period ending September 30)

NOTE 14 – RECENT ACCOUNTING PRONOUNCEMENTS

In May 2017, the FASB issued guidance to address the situation when a company modifies the terms of a stock compensation award previously granted to an employee. This guidance is effective, and should be applied prospectively, for fiscal years beginning after December 15, 2017. Early adoption is permitted as of the beginning of an annual period. The new guidance is effective for the Company beginning in fiscal 2019. The Company adopted this guidance as of October 1, 2018 and it did not have a material impact on the Company's financial condition, results of operations and related disclosures.

In March 2017, the FASB issued amendments to the Compensation - Retirement Benefits guidance which requires companies to retrospectively present the service cost component of net periodic benefit cost for pension and retiree medical plans along with other compensation costs in operating income and present the other components of net periodic benefit cost below operating income in the income statement. The guidance also allows only the service cost component of net periodic benefit cost to be eligible for capitalization within inventory or fixed assets on a prospective basis. This guidance was effective for fiscal years beginning after December 15, 2017. The Company adopted the requirements of the standard in the first quarter of 2019 on a retrospective basis reclassifying the other components of the net periodic benefit costs from Selling, general and administrative expenses to a non-service expense within Other (income) expense, net. This guidance did not have a material impact on the Company's results of operations. See Note 13 - Employee Benefit Plans for further information on the implementation of this guidance.

In January 2017, the FASB issued guidance that clarifies the definition of a business, which will impact many areas of accounting including acquisitions, disposals, goodwill, and consolidation. The new standard is intended to help companies and other organizations evaluate whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. This guidance is effective for annual periods beginning after December 15, 2017, including interim periods within those periods and will be effective for the Company beginning in fiscal 2019. The Company adopted the requirements of the standard in the first quarter of 2019 and it did not have a material impact on the Company's financial condition, results of operations and related disclosures.

In August 2016, the FASB issued guidance on the Statement of Cash Flows Classification of certain cash receipts and cash payments (a consensus of the FASB Emerging Issues Task Force). This guidance addresses the following eight specific cash flow issues: Debt prepayment or debt extinguishment costs; settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing; contingent consideration payments made after a business combination; proceeds from the settlement of insurance claims; proceeds from the settlement of corporate-owned life insurance policies (including bank-owned life insurance policies); distributions received from equity method investees; beneficial interests in securitization transactions; and separately identifiable cash flows and application of the predominance principle. This guidance will be effective for the Company beginning in fiscal 2019. The Company adopted the requirements of the standard in the first quarter of 2019 and it did not have a material impact on the Company's financial condition, results of operations and cash flows.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606) which supersedes nearly all existing revenue recognition guidance. Subsequent to the issuance of Topic 606, the FASB clarified the guidance through several ASUs; hereinafter the collection of revenue guidance is referred to as "ASC 606". The core principle of ASC 606 is that revenue should be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. On October 1, 2018, the Company adopted ASC 606 using the modified retrospective method for all contracts. Results for reporting periods beginning October 1, 2018 are presented under ASC 606, while prior period amounts were not adjusted and continue to be reported in accordance with the Company's historic accounting under Topic 605, Revenue Recognition. The Company recorded a net increase to beginning retained earnings of approximately \$5,673 as of October 1, 2018 due to the cumulative impact of adopting ASC 606. The impact to beginning retained earnings primarily related to certain contracts in the Defense Electronics Segment containing provisions for radar and communication products that have an alternative use and/or no right to payment.

The adoption of ASC 606 did not have a material impact on the Company's Consolidated Condensed Financial Statements as of and for the three month period ended December 31, 2018. See Note 3 - Revenue for additional disclosures required by ASC 606.

Issued but not yet effective accounting pronouncements

In February 2018, the FASB issued guidance that allows companies to reclassify stranded tax effects resulting from the 2017 Tax Cuts and Jobs Act (the Tax Act), from accumulated other comprehensive income to retained earnings. This guidance is effective for all entities for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years, with early adoption permitted. The new standard is effective for the Company beginning in 2020, with early adoption permitted. We are currently evaluating the effects that the adoption of this guidance will have on our consolidated financial statements and the related disclosures.

In August 2018, the FASB issued guidance which modifies the disclosures on fair value measurements by removing the requirement to disclose the amount and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy and the policy for timing of such transfers. This guidance expands the disclosure requirements for Level 3 fair value measurements, primarily focused on changes in unrealized gains and losses included in other comprehensive income (loss). This guidance is effective for fiscal years beginning after December 15, 2019, with early adoption permitted, and will be effective for the Company beginning in 2021. We are currently evaluating the effects that the adoption of this guidance will have on our consolidated financial statements and the related disclosures.

In August 2018, the FASB issued guidance to clarify disclosure requirements related to defined benefit pension and other post-retirement plans. The guidance is effective for fiscal years beginning after December 15, 2020, with early adoption permitted, and will be effective for the Company beginning in 2022. We are currently evaluating the effects that the adoption of this guidance will have on our consolidated financial statements and the related disclosures.

In January 2017, the FASB issued guidance that simplifies how an entity is required to test goodwill for impairment by eliminating Step 2 from the goodwill impairment test. Step 2 measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. This guidance is effective for annual periods beginning after December 15, 2019, including interim periods within those periods and will be effective for the Company beginning October 1, 2020. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. We do not expect this guidance to have a material impact on the Company's financial condition, results of operations and related disclosures.

In February 2016, the FASB issued guidance on lease accounting requiring lessees to recognize a right-of-use asset and a lease liability for long-term leases. The liability will be equal to the present value of lease payments. This guidance must be applied using a modified retrospective transition approach to all annual and interim periods presented and is effective for the Company beginning in 2020. We are currently evaluating the impact of the guidance on the Company's financial condition, results of operations and related disclosures.

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements, and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

NOTE 15 – DISCONTINUED OPERATIONS

During the quarter ended March 31, 2019, Griffon recorded an \$11,000 charge (\$7,646, net of tax) to discontinued operations. The charge consisted primarily of a purchase price adjustment to resolve a claim related to the \$475,000 PPC divestiture and included an additional reserve for a legacy environmental matter.

The following amounts summarize the total assets and liabilities of PPC and Installation Services and other discontinued activities which have been segregated from Griffon's continuing operations, and are reported as assets and liabilities of discontinued operations not held for sale in the Condensed Consolidated Balance Sheets:

	At March 31, 2019	At September 30, 2018
Assets of discontinued operations:		
Prepaid and other current assets	\$ 324	\$ 324
Other long-term assets	2,901	2,916
Total assets of discontinued operations	<u>\$ 3,225</u>	<u>\$ 3,240</u>
Liabilities of discontinued operations:		
Accrued liabilities, current	\$ 11,657	\$ 7,210
Other long-term liabilities	2,307	2,647
Total liabilities of discontinued operations	<u>\$ 13,964</u>	<u>\$ 9,857</u>

At March 31, 2019, Griffon's assets and liabilities for PPC and Installations Services and other discontinued operations primarily related to the above matter, insurance claims, income tax and product liability, warranty and environmental reserves totaling liabilities of approximately of \$13,964.

PPC

On November 16, 2017, Griffon announced it entered into a definitive agreement to sell PPC and on February 6, 2018, completed the sale to Berry for \$465,000, net of certain post-closing adjustments. As a result, Griffon classified the results of operations of the PPC business as discontinued operations in the Consolidated Statements of Operations for all periods presented and classified the related assets and liabilities associated with the discontinued operations in the consolidated balance sheets. All results and information presented exclude PPC unless otherwise noted. PPC is a global leader in the development and production of embossed, laminated and printed specialty plastic films for hygienic, health-care and industrial products and sells to some of the world's largest consumer products companies. In connection with the sale of PPC, the Company recorded a gain of \$117,625 (\$86,357, net of tax) during the quarter ended March 31, 2018. The tax computed on the PPC gain is preliminary and is subject to finalization.

Summarized results of the Company's discontinued operations are as follows:

	For the Three Months Ended March 31, 2018	For the Six Months Ended March 31, 2018
Revenue	\$ 45,832	\$ 166,262
Cost of goods and services	36,157	132,100
Gross profit	9,675	34,162
Selling, general and administrative expenses	13,995	26,103
Income (loss) from discontinued operations	(4,320)	8,059
Other income (expense)		
Gain on sale of business	117,625	117,625
Interest expense, net	(95)	(155)
Other, net	166	(687)
Total other income (expense)	117,696	116,783
Income from operations of discontinued operations	<u>\$ 113,376</u>	<u>\$ 124,842</u>

Installation Services and Other Discontinued Activities

In 2008, as a result of the downturn in the residential housing market, Griffon exited substantially all operating activities of its Installation Services segment which sold, installed and serviced garage doors and openers, fireplaces, floor coverings, cabinetry and a range of related building products, primarily for the new residential housing market. Griffon substantially concluded its remaining disposal activities in 2009.

Installation Services operating results have been reported as discontinued operations in the Consolidated Statements of Operations and Comprehensive Income (Loss) for all periods presented; Installation Services is excluded from segment reporting. There was no Installation Services revenue or income for the six months ended March 31, 2019 and 2018.

In 2017, Griffon recorded \$5,700 of reserves in discontinued operations related to historical environmental remediation efforts and to increase the reserve for homeowner association claims (HOA) related to the Clopay Services Corporation discontinued operations in 2008.

NOTE 16 – OTHER INCOME (EXPENSE)

For the quarters ended March 31, 2019 and 2018, Other income (expense) includes \$(118) and \$217, respectively, of net currency exchange gains (losses) in connection with the translation of receivables and payables denominated in currencies other than the functional currencies of Griffon and its subsidiaries as well as \$108 and \$1,266, respectively, of net investment income.

For the six months ended March 31, 2019 and 2018, Other income (expense) includes \$384 and \$(219), respectively, of net currency exchange gains (losses) in connection with the translation of receivables and payables denominated in currencies other than the functional currencies of Griffon and its subsidiaries as well as \$31 and \$1,261, respectively, of net investment income.

Additionally, during the quarters ended March 31, 2019 and 2018, Other income (expense) included net periodic benefit plan income of \$787 and \$882, respectively. During the six months ended March 31, 2019 and 2018, Other income (expense) included net periodic benefit plan income of \$1,574 and \$1,764, respectively. Effective October 1, 2018, these benefits amounts are required to be included in other income; in the past these were in Selling, general and administrative expenses, as a result of implementation of the new accounting standard on pensions. All periods have been restated. See Note 13 - Employee Benefit Plans for further information on the implementation of this guidance.

NOTE 17 – WARRANTY LIABILITY

Telephonics offers warranties against product defects for periods generally ranging from one to two years, depending on the specific product and terms of the customer purchase agreement. CBP also offers warranties against product defects for periods generally ranging from one to ten years, with limited lifetime warranties on certain door models. Typical warranties require AMES, CBP and Telephonics to repair or replace the defective products during the warranty period at no cost to the customer. At the time revenue is recognized, Griffon records a liability for warranty costs, estimated based on historical experience, and periodically assesses its warranty obligations and adjusts the liability as necessary. AMES offers an express limited warranty for a period of ninety days on all products from the date of original purchase unless otherwise stated on the product or packaging from the date of original purchase.

Changes in Griffon's warranty liability, included in Accrued liabilities, were as follows:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2019	2018	2019	2018
Balance, beginning of period	\$ 9,041	\$ 6,055	\$ 8,174	\$ 6,236
Warranties issued and changes in estimated pre-existing warranties	4,700	1,637	8,761	3,112
Actual warranty costs incurred	(5,730)	(1,434)	(8,924)	(3,926)
Other warranty liabilities assumed from acquisitions	—	—	—	836
Balance, end of period	\$ 8,011	\$ 6,258	\$ 8,011	\$ 6,258

NOTE 18 – OTHER COMPREHENSIVE INCOME (LOSS)

The amounts recognized in other comprehensive income (loss) were as follows:

	Three Months Ended March 31, 2019			Three Months Ended March 31, 2018		
	Pre-tax	Tax	Net of tax	Pre-tax	Tax	Net of tax
Foreign currency translation adjustments	\$ 2,885	\$ —	\$ 2,885	\$ 19,714	\$ —	\$ 19,714
Pension and other defined benefit plans	201	(17)	184	376	(129)	247
Cash flow hedges	(264)	75	(189)	616	(176)	440
Total other comprehensive income (loss)	\$ 2,822	\$ 58	\$ 2,880	\$ 20,706	\$ (305)	\$ 20,401

	Six Months Ended March 31, 2019			Six Months Ended March 31, 2018		
	Pre-tax	Tax	Net of tax	Pre-tax	Tax	Net of tax
Foreign currency translation adjustments	\$ (2,851)	\$ —	\$ (2,851)	\$ 18,425	\$ —	\$ 18,425
Pension and other defined benefit plans	472	(104)	368	14,620	(4,814)	9,806
Cash flow hedges	(107)	20	(87)	746	(218)	528
Total other comprehensive income (loss)	\$ (2,486)	\$ (84)	\$ (2,570)	\$ 33,791	\$ (5,032)	\$ 28,759

The components of Accumulated other comprehensive income (loss) are as follows:

	March 31, 2019	September 30, 2018
Foreign currency translation adjustments	\$ (25,675)	\$ (22,824)
Pension and other defined benefit plans	(11,391)	(11,759)
Change in Cash flow hedges	384	471
	\$ (36,682)	\$ (34,112)

Amounts reclassified from accumulated other comprehensive income (loss) to income were as follows:

Gain (Loss)	For the Three Months Ended March 31,		For the Six Months Ended March 31,	
	2019	2018	2019	2018
Pension amortization	\$ (225)	\$ (350)	\$ (451)	\$ (700)
Cash flow hedges	310	(34)	992	(40)
Removal of PPC foreign currency translation	—	14,866	—	14,866
Total gain (loss)	85	14,482	541	14,126
Tax benefit (expense)	(18)	(3,357)	(114)	(3,400)
Total	\$ 67	\$ 11,125	\$ 427	\$ 10,726

NOTE 19 — COMMITMENTS AND CONTINGENCIES

Legal and environmental

Department of Environmental Conservation of New York State (“DEC”), with ISC Properties, Inc. Lightron Corporation (“Lightron”), a wholly-owned subsidiary of Griffon, once conducted operations at a location in Peekskill in the Town of Cortlandt, New York (the “Peekskill Site”) owned by ISC Properties, Inc. (“ISC”), a wholly-owned subsidiary of Griffon. ISC sold the Peekskill Site in November 1982.

Subsequently, ISC was advised by the DEC that random sampling at the Peekskill Site and in a creek near the Peekskill Site indicated concentrations of solvents and other chemicals common to Lightron’s prior plating operations. ISC then entered into a consent order with the DEC in 1996 (the “Consent Order”) to perform a remedial investigation and prepare a feasibility study. After completing the initial remedial investigation pursuant to the Consent Order, ISC was required by the DEC, and did accordingly conduct over the next several years, supplemental remedial investigations, including soil vapor investigations, under the Consent Order.

In April 2009, the DEC advised ISC’s representatives that both the DEC and the New York State Department of Health had reviewed and accepted an August 2007 Remedial Investigation Report and an Additional Data Collection Summary Report dated January 30, 2009. With the acceptance of these reports, ISC completed the remedial investigation required under the Consent Order and was authorized, accordingly, by the DEC to conduct the Feasibility Study required by the Consent Order. Pursuant to the requirements of the Consent Order and its obligations thereunder, ISC, without acknowledging any responsibility to perform any remediation at the Site, submitted to the DEC in August 2009, a draft feasibility study which recommended for the soil, groundwater and sediment media, remediation alternatives having a current net capital cost value, in the aggregate, of approximately \$5,000. In February 2011, DEC advised ISC it has accepted and approved the feasibility study. Accordingly, ISC has no further obligations under the consent order.

Upon acceptance of the feasibility study, DEC issued a Proposed Remedial Action Plan (“PRAP”) that sets forth the proposed remedy for the site. The PRAP accepted the recommendation contained in the feasibility study for remediation of the soil and groundwater media, but selected a different remediation alternative for the sediment medium. After receiving public comments on the PRAP, the DEC issued a Record of Decision (“ROD”) in June 2011 that set forth the specific remedies selected and responded to public comments. The remedies selected by the DEC in the ROD are the same remedies as those set forth in the PRAP. At the time of adoption of the ROD, the approximate cost of the remedy proposed by DEC in the PRAP was approximately \$10,000.

In 2018, the DEC sent a letter to the United States Environmental Protection Agency (the “EPA”), in which the DEC requested that the Peekskill Site be nominated by the EPA for inclusion on the National Priorities List (the “NPL”). In this letter, the DEC also indicated that it conducted subsequent investigative work that resulted in findings suggesting that the extent of contamination is greater than what was assumed at the time the ROD was issued. Based on the DEC’s request and on an analysis by a consultant retained by the EPA, the EPA then published a notice in the Federal Register proposing to add the Peekskill Site to the NPL under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).

Should the Peekskill Site be added to the NPL, it is uncertain what subsequent action the EPA will take. The EPA may, on its own or through the use of consultants, perform further studies of the site and/or subsequently remediate the site, and in such event would likely seek reimbursement for the costs incurred from potentially responsible parties (“PRPs”). Alternatively, the EPA could enter into negotiations with the PRPs to request that the PRPs perform further studies and/or remediate the site.

Griffon does not acknowledge any responsibility to perform any remediation at the Peekskill Site.

Improper Advertisement Claim involving Union Tools® Products. Beginning in December 2004, a customer of AMES had been named in various litigation matters relating to certain Union Tools products. The plaintiffs in those litigation matters asserted causes of action against the customer of AMES for improper advertisement to end consumers. The allegations suggested that advertisements led the consumers to believe that Union Tools' hand tools were wholly manufactured within boundaries of the United States. The complaints asserted various causes of action against the customer of AMES under federal and state law, including common law fraud. At some point, the customer may seek indemnity (including recovery of its legal fees and costs) against AMES for an unspecified amount. Presently, AMES cannot estimate the amount of loss, if any, if the customer were to seek legal recourse against AMES.

Union Fork and Hoe, Frankfort, NY site. The former Union Fork and Hoe property in Frankfort, NY was acquired by Ames in 2006 as part of a larger acquisition, and has historic site contamination involving chlorinated solvents, petroleum hydrocarbons and metals. AMES has entered into an Order of Consent with the New York State Department of Environmental Conservation. While the Order is without admission or finding of liability or acknowledgment that there has been a release of hazardous substances at the site, AMES is required to perform a remedial investigation of certain portions of the property and to recommend a remediation option. At the conclusion of the remediation phase to the satisfaction of the DEC, the DEC will issue a Certificate of Completion. AMES has performed significant investigative and remedial activities in the last few years under work plans approved by the DEC, and the DEC has approved the final remedial investigation and feasibility study reports. AMES' recommended remedial option of excavation and offsite disposal of lead contaminated soils, capping of other areas of the site impacted by other metals and performing limited groundwater monitoring was accepted by the DEC in a Record of Decision issued March 1, 2018. The DEC recently approved a final design and implementation work plan. Implementation of the selected remedial alternative is expected to begin in mid-2019. AMES has a number of defenses to liability in this matter, including its rights under a previous Consent Judgment entered into between the DEC and a predecessor of AMES relating to the site.

U.S. Government investigations and claims

Defense contracts and subcontracts, including Griffon's contracts and subcontracts, are subject to audit and review by various agencies and instrumentalities of the United States government, including among others, the Defense Contract Audit Agency, the Defense Criminal Investigative Service, and the Department of Justice which has responsibility for asserting claims on behalf of the U.S. Government.

In general, departments and agencies of the U.S. Government have the authority to investigate various transactions and operations of Griffon, and the results of such investigations may lead to administrative, civil or criminal proceedings, the ultimate outcome of which could be fines, penalties, repayments or compensatory or treble damages. U.S. Government regulations provide that certain findings against a contractor may lead to suspension or debarment from future U.S. Government contracts or the loss of export privileges for a company or an operating division or subdivision. Suspension or debarment could have a material adverse effect on Telephonics because of its reliance on government contracts.

General legal

Griffon is subject to various laws and regulations relating to the protection of the environment and is a party to legal proceedings arising in the ordinary course of business. Management believes, based on facts presently known to it, that the resolution of the matters above and such other matters will not have a material adverse effect on Griffon's consolidated financial position, results of operations or cash flows.

NOTE 20 — CONSOLIDATING GUARANTOR AND NON-GUARANTOR FINANCIAL INFORMATION

Griffon's Senior Notes are fully and unconditionally guaranteed, jointly and severally, on a senior secured basis by the domestic assets of Clopay Building Products Company, Inc., Telephonics Corporation, The AMES Companies, Inc., ATT Southern LLC, Clopay Ames True Temper Holding Corp., ClosetMaid, LLC, CornellCookson, LLC and Cornell Real Estate Holdings, LLC, all of which are indirectly 100% owned by Griffon. In accordance with Rule 3-10 of Regulation S-X promulgated under the Securities Act, presented below are condensed consolidating financial information as of March 31, 2019 and September 30, 2018 and for the three months ended March 31, 2019 and 2018. The financial information may not necessarily be indicative of the results of operations or financial position of the guarantor companies or non-guarantor companies had they operated as independent entities. The guarantor companies and the non-guarantor companies include the consolidated financial results of their wholly-owned subsidiaries accounted for under the equity method.

The indenture relating to the Senior Notes (the "Indenture") contains terms providing that, under certain limited circumstances, a guarantor will be released from its obligations to guarantee the Senior Notes. These circumstances include (i) a sale of at least a majority of the stock, or all or substantially all the assets, of the subsidiary guarantor as permitted by the Indenture; (ii) a public equity offering of a subsidiary guarantor that qualifies as a "Minority Business" as defined in the Indenture (generally, a business the EBITDA of which constitutes less than 50% of the segment adjusted EBITDA of the Company for the most recently ended four fiscal quarters), and that meets certain other specified conditions as set forth in the Indenture; (iii) the designation of a guarantor as an "unrestricted subsidiary" as defined in the Indenture, in compliance with the terms of the Indenture; (iv) Griffon exercising its right to defease the Senior Notes, or to otherwise discharge its obligations under the Indenture, in each case in accordance with the terms of the Indenture; and (v) upon obtaining the requisite consent of the holders of the Senior Notes.

CONDENSED CONSOLIDATING BALANCE SHEETS
At March 31, 2019

(\$ in thousands)	Parent Company	Guarantor Companies	Non-Guarantor Companies	Elimination	Consolidation
CURRENT ASSETS					
Cash and equivalents	\$ 5,067	\$ 31,858	\$ 21,054	\$ —	\$ 57,979
Accounts receivable, net of allowances	—	288,362	55,687	—	344,049
Contract costs and recognized income not yet billed, net of progress payments	—	82,811	1,093	—	83,904
Inventories, net	—	389,223	67,835	13	457,071
Prepaid and other current assets	17,735	19,910	5,761	2,372	45,778
Assets of discontinued operations	—	—	324	—	324
Total Current Assets	22,802	812,164	151,754	2,385	989,105
PROPERTY, PLANT AND EQUIPMENT, net	1,005	291,449	40,398	—	332,852
GOODWILL	—	394,056	45,062	—	439,118
INTANGIBLE ASSETS, net	93	278,055	86,592	—	364,740
INTERCOMPANY RECEIVABLE	122,555	679,010	66,931	(868,496)	—
EQUITY INVESTMENTS IN SUBSIDIARIES	1,552,035	512,201	3,045,503	(5,109,739)	—
OTHER ASSETS	7,180	16,774	(2,079)	(6,683)	15,192
ASSETS OF DISCONTINUED OPERATIONS	—	—	2,901	—	2,901
Total Assets	\$ 1,705,670	\$ 2,983,709	\$ 3,437,062	\$ (5,982,533)	\$ 2,143,908
CURRENT LIABILITIES					
Notes payable and current portion of long-term debt	\$ —	\$ 3,495	\$ 7,312	\$ —	\$ 10,807
Accounts payable and accrued liabilities	17,409	292,428	31,439	2,444	343,720
Liabilities of discontinued operations	—	—	11,657	—	11,657
Total Current Liabilities	17,409	295,923	50,408	2,444	366,184
LONG-TERM DEBT, net	1,146,231	4,378	55,586	—	1,206,195
INTERCOMPANY PAYABLES	56,415	381,703	421,184	(859,302)	—
OTHER LIABILITIES	11,331	69,856	17,401	(3,650)	94,938
LIABILITIES OF DISCONTINUED OPERATIONS	—	—	2,307	—	2,307
Total Liabilities	1,231,386	751,860	546,886	(860,508)	1,669,624
SHAREHOLDERS' EQUITY	474,284	2,231,849	2,890,176	(5,122,025)	474,284
Total Liabilities and Shareholders' Equity	\$ 1,705,670	\$ 2,983,709	\$ 3,437,062	\$ (5,982,533)	\$ 2,143,908

CONDENSED CONSOLIDATING BALANCE SHEETS
At September 30, 2018

(\$ in thousands)	Parent Company	Guarantor Companies	Non-Guarantor Companies	Elimination	Consolidation
CURRENT ASSETS					
Cash and equivalents	\$ 15,976	\$ 16,353	\$ 37,429	\$ —	\$ 69,758
Accounts receivable, net of allowances	—	234,885	69,729	(24,105)	280,509
Contract costs and recognized income not yet billed, net of progress payments	—	121,393	410	—	121,803
Inventories, net	—	332,067	66,373	(81)	398,359
Prepaid and other current assets	12,179	21,313	6,168	2,461	42,121
Assets of discontinued operations	—	—	324	—	324
Total Current Assets	28,155	726,011	180,433	(21,725)	912,874
PROPERTY, PLANT AND EQUIPMENT, net	936	299,920	41,636	—	342,492
GOODWILL	6,646	361,507	71,242	—	439,395
INTANGIBLE ASSETS, net	93	293,093	77,672	—	370,858
INTERCOMPANY RECEIVABLE	56,396	314,394	(121,445)	(249,345)	—
EQUITY INVESTMENTS IN SUBSIDIARIES	1,528,932	968,330	3,347,894	(5,845,156)	—
OTHER ASSETS	8,651	15,942	374	(8,612)	16,355
ASSETS OF DISCONTINUED OPERATIONS	—	—	2,916	—	2,916
Total Assets	\$ 1,629,809	\$ 2,979,197	\$ 3,600,722	\$ (6,124,838)	\$ 2,084,890
CURRENT LIABILITIES					
Notes payable and current portion of long-term debt	\$ 2,276	\$ 3,398	\$ 7,337	\$ —	\$ 13,011
Accounts payable and accrued liabilities	26,639	303,154	59,531	(16,474)	372,850
Liabilities of discontinued operations	—	(22,327)	29,537	—	7,210
Total Current Liabilities	28,915	284,225	96,405	(16,474)	393,071
LONG-TERM DEBT, net	1,044,071	6,110	57,890	—	1,108,071
INTERCOMPANY PAYABLES	66,058	(77,760)	263,227	(251,525)	—
OTHER LIABILITIES	16,374	73,391	20,592	(3,647)	106,710
LIABILITIES OF DISCONTINUED OPERATIONS	—	—	2,647	—	2,647
Total Liabilities	1,155,418	285,966	440,761	(271,646)	1,610,499
SHAREHOLDERS' EQUITY	474,391	2,693,231	3,159,961	(5,853,192)	474,391
Total Liabilities and Shareholders' Equity	\$ 1,629,809	\$ 2,979,197	\$ 3,600,722	\$ (6,124,838)	\$ 2,084,890

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
For the Three Months Ended March 31, 2019

(\$ in thousands)	Parent Company	Guarantor Companies	Non-Guarantor Companies	Elimination	Consolidation
Revenue	\$ —	\$ 462,739	\$ 94,285	\$ (7,391)	\$ 549,633
Cost of goods and services	—	354,382	65,516	(7,769)	412,129
Gross profit	—	108,357	28,769	378	137,504
Selling, general and administrative expenses	5,249	84,813	21,409	312	111,783
Income (loss) from operations	(5,249)	23,544	7,360	66	25,721
Other income (expense)					
Interest income (expense), net	(7,328)	(9,128)	(849)	—	(17,305)
Other, net	(473)	1,129	676	(64)	1,268
Total other income (expense)	(7,801)	(7,999)	(173)	(64)	(16,037)
Income (loss) before taxes	(13,050)	15,545	7,187	2	9,684
Provision (benefit) for income taxes	(4,242)	5,292	2,142	2	3,194
Income (loss) before equity in net income of subsidiaries	(8,808)	10,253	5,045	—	6,490
Equity in net income (loss) of subsidiaries	7,652	11,646	10,253	(29,551)	—
Income from continuing operations	\$ (1,156)	\$ 21,899	\$ 15,298	\$ (29,551)	\$ 6,490
Income from operations of discontinued businesses	—	—	(11,000)	—	(11,000)
Provision from income taxes	—	—	(3,354)	—	(3,354)
Income from discontinued operations	—	—	(7,646)	—	(7,646)
Net Income (loss)	\$ (1,156)	\$ 21,899	\$ 7,652	\$ (29,551)	\$ (1,156)
Comprehensive income (loss)	\$ 1,724	\$ 5,448	\$ 8,736	\$ (14,184)	\$ 1,724

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
For the Three Months Ended March 31, 2018

(\$ in thousands)	Parent Company	Guarantor Companies	Non-Guarantor Companies	Elimination	Consolidation
Revenue	\$ —	\$ 397,759	\$ 89,910	\$ (9,109)	\$ 478,560
Cost of goods and services	—	305,919	60,627	(9,365)	357,181
Gross profit	—	91,840	29,283	256	121,379
Selling, general and administrative expenses	5,438	65,871	33,277	(93)	104,493
Income (loss) from operations	(5,438)	25,969	(3,994)	349	16,886
Other income (expense)					
Interest income (expense), net	(5,961)	(8,013)	(2,070)	—	(16,044)
Other, net	697	12,149	(10,038)	(462)	2,346
Total other income (expense)	(5,264)	4,136	(12,108)	(462)	(13,698)
Income (loss) before taxes	(10,702)	30,105	(16,102)	(113)	3,188
Provision (benefit) for income taxes	(10,168)	(10,037)	(6,202)	27,644	1,237
Income (loss) before equity in net income of subsidiaries	(534)	40,142	(9,900)	(27,757)	1,951
Equity in net income (loss) of subsidiaries	90,814	(59,707)	40,140	(71,247)	—
Income (loss) from continuing operations	90,280	(19,565)	30,240	(99,004)	1,951
Income from operation of discontinued businesses	—	(8,423)	121,799	—	113,376
Provision (benefit) from income taxes	—	859	24,188	—	25,047
Income (loss) from discontinued operations	—	(9,282)	97,611	—	88,329
Net Income (loss)	<u>\$ 90,280</u>	<u>\$ (28,847)</u>	<u>\$ 127,851</u>	<u>\$ (99,004)</u>	<u>\$ 90,280</u>
Comprehensive income (loss)	<u>\$ 110,681</u>	<u>\$ 1,444</u>	<u>\$ 123,670</u>	<u>\$ (125,114)</u>	<u>\$ 110,681</u>

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
For the Six Months Ended March 31, 2019

(\$ in thousands)	Parent Company	Guarantor Companies	Non-Guarantor Companies	Elimination	Consolidation
Revenue	\$ —	\$ 881,983	\$ 192,525	\$ (14,353)	\$ 1,060,155
Cost of goods and services	—	663,479	131,218	(15,092)	779,605
Gross profit	—	218,504	61,307	739	280,550
Selling, general and administrative expenses	10,309	169,789	45,226	213	225,537
Income (loss) from operations	(10,309)	48,715	16,081	526	55,013
Other income (expense)					
Interest income (expense), net	(13,635)	(18,258)	(1,743)	—	(33,636)
Other, net	(735)	1,816	1,717	(526)	2,272
Total other income (expense)	(14,370)	(16,442)	(26)	(526)	(31,364)
Income (loss) before taxes	(24,679)	32,273	16,055	—	23,649
Provision (benefit) for income taxes	(7,777)	11,266	4,917	—	8,406
Income (loss) before equity in net income of subsidiaries	(16,902)	21,007	11,138	—	15,243
Equity in net income (loss) of subsidiaries	24,499	17,696	21,007	(63,202)	—
Income from continuing operations	\$ 7,597	\$ 38,703	\$ 32,145	\$ (63,202)	\$ 15,243
Income from operations of discontinued businesses	\$ —	\$ —	\$ (11,000)	\$ —	\$ (11,000)
Provision (benefit) from income taxes	—	—	(3,354)	—	(3,354)
Income (loss) from discontinued operations	\$ —	\$ —	\$ (7,646)	\$ —	\$ (7,646)
Net income (loss)	\$ 7,597	\$ 38,703	\$ 24,499	\$ (63,202)	\$ 7,597
Comprehensive income (loss)	\$ 5,027	\$ 59,017	\$ 4,185	\$ (63,202)	\$ 5,027

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
For the Six Months Ended March 31, 2018

(\$ in thousands)	Parent Company	Guarantor Companies	Non-Guarantor Companies	Elimination	Consolidation
Revenue	\$ —	\$ 749,071	\$ 182,429	\$ (15,637)	\$ 915,863
Cost of goods and services	—	568,559	121,406	(16,260)	673,705
Gross profit	—	180,512	61,023	623	242,158
Selling, general and administrative expenses	16,775	141,201	53,326	(185)	211,117
Income (loss) from operations	(16,775)	39,311	7,697	808	31,041
Other income (expense)					
Interest income (expense), net	(12,735)	(14,215)	(5,736)	—	(32,686)
Other, net	692	13,353	(10,361)	(924)	2,760
Total other income (expense)	(12,043)	(862)	(16,097)	(924)	(29,926)
Income (loss) before taxes	(28,818)	38,449	(8,400)	(116)	1,115
Provision (benefit) for income taxes	(39,860)	(7,302)	(4,146)	27,641	(23,667)
Income (loss) before equity in net income of subsidiaries	11,042	45,751	(4,254)	(27,757)	24,782
Equity in net income (loss) of subsidiaries	110,227	(60,359)	45,751	(95,619)	—
Income from continuing operations	\$ 121,269	\$ (14,608)	\$ 41,497	\$ (123,376)	\$ 24,782
Income from operations of discontinued businesses	—	(2,003)	126,845	—	124,842
Provision from income taxes	—	2,918	25,437	—	28,355
Income from discontinued operations	—	(4,921)	101,408	—	96,487
Net income (loss)	\$ 121,269	\$ (19,529)	\$ 142,905	\$ (123,376)	\$ 121,269
Comprehensive income (loss)	\$ 150,028	\$ 24,212	\$ 171,118	\$ (195,330)	\$ 150,028

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
For the Six Months Ended March 31, 2019

(\$ in thousands)	Parent Company	Guarantor Companies	Non-Guarantor Companies	Elimination	Consolidation
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net income (loss)	\$ 7,597	\$ 38,703	\$ 24,499	\$ (63,202)	\$ 7,597
Net (income) loss from discontinued operations	—	—	7,646	—	7,646
Net cash provided by (used in) operating activities:	(77,881)	24,130	(1,255)	—	(55,006)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Acquisition of property, plant and equipment	(210)	(14,071)	(3,137)	—	(17,418)
Acquired businesses, net of cash acquired	(9,219)	—	—	—	(9,219)
Investment purchases	(149)	—	—	—	(149)
Insurance proceeds (payments)	(10,604)	—	—	—	(10,604)
Proceeds from sale of assets	—	36	26	—	62
Net cash provided by investing activities	(20,182)	(14,035)	(3,111)	—	(37,328)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Purchase of shares for treasury	(1,478)	—	—	—	(1,478)
Proceeds from long-term debt	130,484	76	12,541	—	143,101
Payments of long-term debt	(32,419)	(1,724)	(14,026)	—	(48,169)
Financing costs	(945)	—	—	—	(945)
Contingent consideration for acquired businesses	—	—	(1,686)	—	(1,686)
Dividends paid	(6,847)	—	—	—	(6,847)
Other, net	(1,641)	7,150	(5,426)	—	83
Net cash provided by (used in) financing activities	87,154	5,502	(8,597)	—	84,059
CASH FLOWS FROM DISCONTINUED OPERATIONS:					
Net cash used in discontinued operations	—	—	(3,438)	—	(3,438)
Effect of exchange rate changes on cash and equivalents	—	(92)	26	—	(66)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(10,909)	15,505	(16,375)	—	(11,779)
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	15,976	16,353	37,429	—	69,758
CASH AND EQUIVALENTS AT END OF PERIOD	\$ 5,067	\$ 31,858	\$ 21,054	\$ —	\$ 57,979

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
For the Six Months Ended March 31, 2018

(\$ in thousands)	Parent Company	Guarantor Companies	Non-Guarantor Companies	Elimination	Consolidation
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net income (loss)	\$ 121,269	\$ (19,529)	\$ 142,905	\$ (123,376)	\$ 121,269
Net (income) loss from discontinued operations	—	4,921	(101,408)	—	(96,487)
Net cash provided by (used in) operating activities:	275,619	(360,855)	38,136	—	(47,100)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Acquisition of property, plant and equipment	(331)	(16,208)	(5,089)	—	(21,628)
Acquired businesses, net of cash acquired	(185,729)	(5,076)	(55,425)	—	(246,230)
Proceeds from sale of business	—	473,977	—	—	473,977
Insurance proceeds (payments)	8,254	—	—	—	8,254
Proceeds from sale of assets	—	21	433	—	454
Net cash provided by (used in) investing activities	(177,806)	452,714	(60,081)	—	214,827
CASH FLOWS FROM FINANCING ACTIVITIES:					
Purchase of shares for treasury	(32,861)	—	—	—	(32,861)
Proceeds from long-term debt	342,161	2,195	3,542	—	347,898
Payments of long-term debt	(197,322)	(1,613)	(31,006)	—	(229,941)
Financing costs	(7,451)	—	—	—	(7,451)
Dividends paid	(5,872)	—	—	—	(5,872)
Other, net	(22,279)	(40,668)	63,073	—	126
Net cash provided by (used in) financing activities	76,376	(40,086)	35,609	—	71,899
CASH FLOWS FROM DISCONTINUED OPERATIONS:					
Net cash used in discontinued operations	—	(36,875)	(11,508)	—	(48,383)
Effect of exchange rate changes on cash and equivalents	—	(27)	(2,441)	—	(2,468)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	174,189	14,871	(285)	—	188,775
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	3,240	8,066	36,375	—	47,681
CASH AND EQUIVALENTS AT END OF PERIOD	\$ 177,429	\$ 22,937	\$ 36,090	\$ —	\$ 236,456

(Unless otherwise indicated, US dollars and non US currencies are in thousands, except per share data)

Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations

BUSINESS

Overview

Griffon Corporation (the "Company", "Griffon", "we" or "us") is a diversified management and holding company that conducts business through wholly-owned subsidiaries. The Company was founded in 1959, is a Delaware corporation headquartered in New York, N.Y. and is listed on the New York Stock Exchange (NYSE:GFF).

Business Strategy

We own and operate, and seek to acquire, businesses in multiple industries and geographic markets. Our objective is to maintain leading positions in the markets we serve by providing innovative, branded products with superior quality and industry-leading service. We place emphasis on our iconic and well-respected brands, which helps to differentiate us and our offerings from our competitors and strengthens our relationship with our customers and those who ultimately use our products.

Through operating a diverse portfolio of businesses, we expect to reduce variability caused by external factors such as market cyclicality, seasonality, and weather. We achieve diversity by providing various product offerings and brands through multiple sales and distribution channels, and conducting business across multiple countries which we consider our home markets.

Griffon oversees the operations of its subsidiaries, allocates resources among them and manages their capital structures. Griffon provides direction and assistance to its subsidiaries in connection with acquisition and growth opportunities as well as in connection with divestitures. As long-term investors, having substantial experience in a variety of industries, our intent is to continue the growth and strengthening of our existing businesses, and to diversify further through investments in our businesses and through acquisitions.

Recent Highlights

On September 5, 2017, Griffon announced the acquisition of ClosetMaid LLC ("ClosetMaid") and the commencement of the strategic alternatives process for Clopay Plastic Products, beginning the transformation of Griffon.

In February 2018, we closed on the sale of our Clopay Plastics Products ("PPC") business to Berry Global, Inc. ("Berry") for \$465,000, net of certain post-closing adjustments, thus exiting the specialty plastics industry that the Company had entered when it acquired Clopay Corporation in 1986. This transaction provided immediate liquidity and positions the Company to improve its cash flow conversion given the historically higher capital needs of the PPC operations as compared to Griffon's remaining businesses.

In October 2017, we acquired ClosetMaid from Emerson Electric Co. (NYSE:EMR) for an effective purchase price of approximately \$165,000. ClosetMaid, founded in 1965, is a leading North American manufacturer and marketer of wood and wire closet organization, general living storage and wire garage storage products, and sells to some of the largest home center retail chains, mass merchandisers, and direct-to-builder professional installers in North America.

In March 2018, we announced the combination of the ClosetMaid operations with those of The AMES Companies, Inc. ("AMES"). ClosetMaid generated over \$300,000 in revenue in the first twelve months after the acquisition, and we anticipate the integration with AMES will unlock additional value given the complementary products, customers, warehousing and distribution, manufacturing, and sourcing capabilities of the two businesses.

In June 2018, Clopay Building Products Company, Inc. ("CBP") acquired CornellCookson, Inc. ("CornellCookson"), a leading provider of rolling steel service doors, fire doors, and grilles, for an effective purchase price of approximately \$170,000. This transaction strengthened CBP's strategic portfolio with a line of commercial rolling steel door products to complement the existing CBP sectional door offerings in the commercial industry, and expands the CBP network of professional dealers focused on the commercial market. CornellCookson is expected to contribute approximately \$200,000 in annual sales to Griffon's Home and Building Products Segment.

During the past two fiscal years Griffon also completed a number of other acquisitions to expand and enhance AMES' global footprint. In the United Kingdom, Griffon acquired La Hacienda, an outdoor living brand of unique heating and garden décor products, in July 2017, and Kelkay, a manufacturer and distributor of decorative outdoor landscaping, in February 2018. These two businesses provided AMES with a platform for growth in the UK market and give access to leading garden centers, retailers, and grocers in the UK and Ireland.

In Australia, Griffon acquired Hills Home Living, the iconic brand of clotheslines and home products, from Hills Limited (ASX:HIL) in the first quarter of our fiscal 2017. In September 2017, Griffon acquired Tuscan Path, an Australian provider of pots, planters, pavers, decorative stone, and garden décor products. These acquisitions broadened AMES' outdoor living and lawn and garden business, strengthening AMES' market position in Australia and New Zealand.

In November 2017, Griffon acquired Harper Brush Works, a leading U.S. manufacturer of cleaning products for professional, home, and industrial use, from Horizon Global (NYSE:HZN). This acquisition expanded the AMES line of long-handle tools in North America to include brooms, brushes, and other cleaning products.

We believe these actions have established a solid foundation for continuing organic growth in sales, profit, and cash generation and bolsters Griffon's platforms for opportunistic strategic acquisitions.

Further Information

Griffon posts and makes available, free of charge through its website at www.griffon.com, its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) of the Securities Exchange Act of 1934, as well as press releases, as soon as reasonably practicable after such materials are published or filed with or furnished to the Securities and Exchange Commission (the "SEC"). The information found on Griffon's website is not part of this or any other report it files with or furnishes to the SEC.

For information regarding revenue, profit and total assets of each segment, see the Reportable Segments footnote in the Notes to Consolidated Financial Statements.

Reportable Segments:

Griffon currently conducts its operations through two reportable segments:

- Home & Building Products ("HBP") segment consists of two companies, AMES and CBP:

AMES, founded in 1774, is the leading North American manufacturer and a global provider of branded consumer and professional tools, landscaping products, and outdoor lifestyle solutions. In 2018, we acquired ClosetMaid, a leader in wood and wire closet organization, general living storage and wire garage storage products for homeowners and professionals.

CBP, since 1964, is a leading manufacturer and marketer of residential and commercial garage doors and sells to professional dealers and some of the largest home center retail chains in North America. In 2018, we acquired CornellCookson, a leading U.S. manufacturer and marketer of rolling steel door and grille products designed for commercial, industrial, institutional, and retail use.

- Defense Electronics segment consists of Telephonics Corporation ("Telephonics"), founded in 1933, a globally recognized leading provider of highly sophisticated intelligence, surveillance and communications solutions for defense, aerospace and commercial customers.

OVERVIEW

Revenue for the quarter ended March 31, 2019 was \$549,633 compared to \$478,560 in the prior year quarter, an increase of approximately 15%, primarily driven by increased revenue at Home & Building Products, from both recent acquisitions and organic growth, partially offset by decreased revenue at Telephonics. Organic growth was 5%. Income from continuing operations was \$6,490 or \$0.15 per share, compared to \$1,951 or \$0.05 per share, in the prior year quarter. The current quarter results from continuing operations included discrete and certain other tax benefits, net, of \$(97) or \$0.00 per share. The prior year quarter results from continuing operations included acquisition costs of \$814 (\$378, net of tax, or \$0.01 per share) and discrete and certain other tax provisions, net, of \$368 or \$0.01 per share.

Excluding these items from the respective quarterly results, Income from continuing operations would have been \$6,393 or \$0.15 per share in the current quarter compared to \$2,697 or \$0.06 per share in the prior year quarter.

Revenue for the six months ended March 31, 2019 was \$1,060,155 compared to \$915,863 in the prior year period, an increase of 16%, primarily driven by increased revenue at Home & Building Products from both recent acquisitions and organic growth, partially offset by decreased revenue at Telephonics. Organic growth was 5%. Income from continuing operations was \$15,243 or \$0.36 per share, compared to \$24,782 or \$0.58 per share, in the prior year period. The current year-to-date results from continuing operations included discrete and certain other tax provisions, net, of \$370 or \$0.01 per share. The prior year-to-date results from continuing operations included the following:

- Acquisition costs of \$3,999 (\$2,726, net tax, or \$0.06);
- Cost of life insurance benefit of \$2,614 (\$248, net tax, or \$0.01); and
- Discrete and certain other tax benefits, net, of \$22,650 or \$0.53 per share, primarily from the revaluation of deferred tax liabilities related to the December 22, 2017 Tax Cuts and Jobs Act ("TCJA").

Excluding these items from the respective periods, Income from continuing operations would have been \$15,613 or \$0.37 per share in the current year period ended March 31, 2019 compared to \$5,106 or \$0.12 per share in the comparable prior year period.

Griffon evaluates performance based on Income from Continuing operations and the related Earnings per share excluding restructuring charges, loss on debt extinguishment, acquisition related expenses and discrete and certain other tax items, as well as other items that may affect comparability, as applicable. Griffon believes this information is useful to investors for the same reason. The following table provides a reconciliation of Income from continuing operations to Adjusted income from continuing operations and Earnings per share from continuing operations to Adjusted earnings per share from continuing operations:

GRIFFON CORPORATION AND SUBSIDIARIES
RECONCILIATION OF INCOME FROM CONTINUING OPERATIONS
TO ADJUSTED INCOME FROM CONTINUING OPERATIONS
(Unaudited)

	For the Three Months Ended March 31,		For the Six Months Ended March 31,	
	2019	2018	2019	2018
Income from continuing operations	\$ 6,490	\$ 1,951	\$ 15,243	\$ 24,782
Adjusting items, net of tax:				
Acquisition costs	—	378	—	2,726
Cost of life insurance benefit	—	—	—	248
Discrete and certain other tax provisions (benefits)	(97)	368	370	(22,650)
Adjusted income from continuing operations	<u>\$ 6,393</u>	<u>\$ 2,697</u>	<u>\$ 15,613</u>	<u>\$ 5,106</u>
Diluted earnings per common share from continuing operations	\$ 0.15	\$ 0.05	\$ 0.36	\$ 0.58
Adjusting items, net of tax:				
Acquisition costs	—	0.01	—	0.06
Cost of life insurance benefit	—	—	—	0.01
Discrete and certain other tax provisions (benefits)	—	0.01	0.01	(0.53)
Adjusted earnings per common share from continuing operations	<u>\$ 0.15</u>	<u>\$ 0.06</u>	<u>\$ 0.37</u>	<u>\$ 0.12</u>
Weighted-average shares outstanding (in thousands)	<u>42,832</u>	<u>42,765</u>	<u>42,376</u>	<u>43,062</u>

Note: Due to rounding, the sum of earnings per common share and adjusting items, net of tax, may not equal adjusted earnings per common share.

RESULTS OF CONTINUING OPERATIONS**Three and Six months ended March 31, 2019 and 2018**

Griffon evaluates performance and allocates resources based on each segment's operating results before interest income and expense, income taxes, depreciation and amortization, and unallocated amounts (mainly corporate overhead), restructuring charges, loss on debt extinguishment and acquisition related expenses, as well as other items that may affect comparability, as applicable ("Segment adjusted EBITDA"). Griffon believes this information is useful to investors for the same reason. The following table provides a reconciliation of Segment operating profit from continuing operations to Income before taxes from continuing operations:

	For the Three Months Ended March 31,		For the Six Months Ended March 31,	
	2019	2018	2019	2018
Segment operating profit:				
Home & Building Products	\$ 36,021	\$ 28,478	\$ 75,566	\$ 56,229
Telephonics	2,315	1,302	4,464	2,782
Segment operating profit from continuing operations	38,336	29,780	80,030	59,011
Net interest expense	(17,305)	(16,044)	(33,636)	(32,686)
Unallocated amounts	(11,347)	(10,541)	(22,745)	(20,977)
Acquisition costs	—	(7)	—	(1,619)
Cost of life insurance benefit	—	—	—	(2,614)
Income before taxes from continuing operations	\$ 9,684	\$ 3,188	\$ 23,649	\$ 1,115

The following table provides a reconciliation of Segment adjusted EBITDA from continuing operations to Income before taxes from continuing operations:

	For the Three Months Ended March 31,		For the Six Months Ended March 31,	
	2019	2018	2019	2018
Segment adjusted EBITDA:				
Home & Building Products	\$ 48,753	\$ 39,789	\$ 100,613	\$ 79,246
Defense Electronics	4,936	3,997	9,721	8,196
Total Segment adjusted EBITDA	53,689	43,786	110,334	87,442
Net interest expense	(17,305)	(16,044)	(33,636)	(32,686)
Segment depreciation and amortization	(15,353)	(13,199)	(30,304)	(26,051)
Unallocated amounts	(11,347)	(10,541)	(22,745)	(20,977)
Acquisition costs	—	(814)	—	(3,999)
Cost of life insurance benefit	—	—	—	(2,614)
Income before taxes from continuing operations	\$ 9,684	\$ 3,188	\$ 23,649	\$ 1,115

Home & Building Products

	For the Three Months Ended March 31,				For the Six Months Ended March 31,							
	2019		2018		2019		2018					
Revenue:												
AMES	\$	287,732	\$	258,196	\$	504,206	\$	474,938				
CBP		186,799		138,112		410,094		292,348				
Home & Building Products	\$	474,531	\$	396,308	\$	914,300	\$	767,286				
Segment operating profit	\$	36,021	7.6%	\$	28,478	7.2%	\$	75,566	8.3%	\$	56,229	7.3%
Depreciation and amortization		12,732		10,504		25,047		20,637				
Acquisition costs		—		807		—		2,380				
Segment adjusted EBITDA	\$	48,753	10.3%	\$	39,789	10.0%	\$	100,613	11.0%	\$	79,246	10.3%

For the quarter ended March 31, 2019, revenue increased \$78,223 or 20%, compared to the prior year period. CBP benefited from the acquisition of CornellCookson on June 4, 2018, which delivered approximately \$48,100 of revenue, as well as from favorable pricing, partially offset by unfavorable volume and mix. At AMES, favorable weather conditions drove increases in U.S. lawn and garden products, and the launch of new product programs drove increased revenue for U.S. pots and planters and for wire storage and organization. These increases also were supplemented at AMES Australia as previously delayed orders materialized in the quarter. Organic growth was 8%.

For the quarter ended March 31, 2019, Segment operating profit increased 26% to \$36,021 compared to \$28,478 in the prior year period. Excluding the impact of acquisition related costs from the prior year period, Segment operating profit increased 23%. Increased revenue, partially offset by increased material and tariff costs at both AMES and CBP, as well as unfavorable volume and mix at CBP, drove the favorable variance. Segment depreciation and amortization increased \$2,228 from the prior year period primarily from acquisitions.

For the six months ended March 31, 2019, revenue increased \$147,014 or 19%, compared to the prior year period. CBP benefited from the acquisition of CornellCookson, which delivered approximately \$97,500 of revenue, as well as from favorable mix and pricing. At AMES, increased revenue for U.S. snow tools and lawn and garden products, as well as the launch of new product programs for U.S. pots and planters and for wire storage and organization, drove the favorable variance. Organic growth was 6%.

For the six months ended March 31, 2019, Segment operating profit increased 34% to \$75,566 compared to \$56,229 in the prior year period. Excluding the impact of acquisition related costs from the prior year period, Segment operating profit would have increased 29%, primarily driven by the increased revenue as noted above, partially offset by increased material and tariff costs at both AMES and CBP. Segment depreciation and amortization increased \$4,410 from the prior year period primarily from acquisitions.

On January 31, 2019, CBP announced a \$14,000 investment in facilities infrastructure and equipment at its CornellCookson location in Mountain Top, Pennsylvania. This project includes a 90,000 square foot expansion to the already existing 184,000 square foot facility, along with the addition of state of the art manufacturing equipment. Through this expansion, the CornellCookson Mountain Top location will improve its manufacturing efficiency and shipping operations, as well as increase manufacturing capacity to support full-rate production of new and core products. The project is expected to be completed by the end of calendar 2019.

Prior year's acquisitions

On June 4, 2018, CBP completed the acquisition of CornellCookson, a leading US manufacturer and marketer of rolling steel door and grille products designed for commercial, industrial, institutional and retail use, for \$180,000, excluding certain post-closing adjustments primarily related to working capital. After taking into account the net of the estimated present value of tax benefits resulting from the transaction, the effective purchase price is approximately \$170,000. The acquisition of CornellCookson substantially expanded CBP's non-residential product offerings, and added an established professional dealer network focused on rolling steel door and grille products for commercial, industrial, institutional and retail use. CornellCookson is expected to generate approximately \$200,000 in revenue in the first full year of operations.

On February 13, 2018, AMES acquired Kelkay, a leading United Kingdom manufacturer and distributor of decorative outdoor landscaping products sold to garden centers, retailers and grocers in the UK and Ireland for approximately \$56,118 (GBP 40,452), subject to contingent consideration of up to GBP 7,000. This acquisition broadened AMES' product offerings in the market and increased its in-country operational footprint. Kelkay contributed approximately \$35,000 in revenue in the first twelve months after the acquisition.

On November 6, 2017, AMES acquired Harper, a division of Horizon Global, for approximately \$5,000. Harper is a leading U.S. manufacturer of cleaning products for professional, home, and industrial use. The acquisition will broaden AMES' long-handle tool offering in North America to include brooms, brushes, and other cleaning tools and accessories. Harper, as expected, generated approximately \$10,000 in revenue in the first twelve months after the acquisition.

On October 2, 2017, Griffon completed the acquisition of ClosetMaid, a market leader in home storage and organization products, for approximately \$185,700, inclusive of post-closing adjustments, or \$165,000 net of the estimated present value of tax benefits resulting from the transaction. ClosetMaid adds to Griffon's Home and Building Products segment, complementing and diversifying Griffon's portfolio of leading consumer brands and products. ClosetMaid, as expected, generated over \$300,000 in revenue in the first twelve months after the acquisition.

Defense Electronics

	For the Three Months Ended March 31,				For the Six Months Ended March 31,							
	2019		2018		2019		2018					
Revenue	\$	75,102	\$	82,252	\$	145,855	\$	148,577				
Segment operating profit	\$	2,315	3.1%	\$	1,302	1.6%	\$	4,464	3.1%	\$	2,782	1.9%
Depreciation and amortization		2,621		2,695		5,257		5,414				
Segment adjusted EBITDA	\$	4,936	6.6%	\$	3,997	4.9%	\$	9,721	6.7%	\$	8,196	5.5%

For the quarter ended March 31, 2019, revenue decreased \$7,150 or 9% compared to the prior year quarter, primarily due to decreased maritime surveillance radar revenue offset in part by a \$1,600 benefit from the adoption of revenue recognition guidance effective October 1, 2018. The impact from the adoption of the revenue recognition guidance is expected to be immaterial to full year results.

For the quarter ended March 31, 2019, Segment operating profit increased \$1,013 compared to the prior year quarter, driven by reduced operating expenses and timing of research and development initiatives. The impact from the adoption of revenue recognition guidance effective October 1, 2018 was not material. The impact from the adoption of the revenue recognition guidance is expected to be immaterial to full year results.

For the six months ended March 31, 2019, revenue decreased \$2,722 or 2% compared to the prior year period due to reduced ground and maritime surveillance radar and electronic countermeasure system revenue, partially offset by a \$6,200 benefit from the adoption of revenue recognition guidance effective October 1, 2018.

For the six months ended March 31, 2019, Segment operating profit increased \$1,682 compared to the prior year period due to reduced operating expenses and timing of research and development initiatives, partially offset by the impact of revised estimates to complete remaining performance obligations across various contracts. Segment operating profit also benefited from the adoption of revenue recognition guidance effective October 1, 2018, by approximately \$1,700.

During the six months ended March 31, 2019, Telephonics was awarded several new contracts and received incremental funding on existing contracts approximating \$150,000. Contract backlog was \$378,300 at March 31, 2019, with 73% expected to be fulfilled in the next 12 months. Backlog, restated for the adoption of revenue recognition guidance on October 1, 2018, was \$374,200 at September 30, 2018. Backlog is defined as unfilled firm orders for products and services for which funding has been both authorized and appropriated by the customer or Congress, in the case of US government agencies.

Unallocated

For the quarter ended March 31, 2019, unallocated amounts totaled \$11,347 compared to \$10,541 in the prior year quarter; for the six months ended March 31, 2019, unallocated amounts totaled \$22,745 compared to \$20,977 in the prior year period. The increase in the current quarter and six months compared to the respective prior year periods primarily relates to compensation and incentive costs.

Segment Depreciation and Amortization

Segment depreciation and amortization increased \$2,154 and \$4,253 for the quarter and six months ended March 31, 2019, respectively, compared to the comparable prior year period, primarily due to depreciation and amortization on assets acquired in acquisitions.

Other Income (Expense)

For the quarters ended March 31, 2019 and 2018, Other income (expense) includes \$(118) and \$217, respectively, of net currency exchange gains (losses) in connection with the translation of receivables and payables denominated in currencies other than the functional currencies of Griffon and its subsidiaries as well as \$108 and \$1,266, respectively, of net investment income.

For the six months ended March 31, 2019 and 2018, Other income (expense) includes \$384 and \$(219), respectively, of net currency exchange gains (losses) in connection with the translation of receivables and payables denominated in currencies other than the functional currencies of Griffon and its subsidiaries as well as \$31 and \$1,261, respectively, of net investment income.

Additionally, during the quarters ended March 31, 2019 and 2018, Other income (expense) included net periodic benefit plan income of \$787 and \$882, respectively. During the six months ended March 31, 2019 and 2018, Other income (expense) included net periodic benefit plan income of \$1,574 and \$1,764, respectively. Effective October 1, 2018, these benefits amounts are required to be included in other income; in the past these were in Selling, general and administrative expenses, as a result of implementation of the new accounting standard on pensions. All periods have been restated. See Note 13 - Employee Benefit Plans for further information on the implementation of this guidance.

Provision for income taxes

During the three months ended March 31, 2019, the Company recognized a tax provision of \$3,194 on income before taxes from continuing operations of \$9,684, compared to a tax provision of \$1,237 on income before taxes from continuing operations of \$3,188, in the comparable prior year quarter. The current year quarter included net discrete tax benefits of \$97. The prior year quarter results included acquisition costs of \$814 (\$378, net of tax) and discrete and certain other tax provisions, net, that affect comparability of \$368. Excluding these items, the effective tax rates for the quarters ended March 31, 2019 and 2018 34.0% and 32.6%, respectively.

During the six months ended March 31, 2019, the Company recognized a tax provision of \$8,406 on Income before taxes from continuing operations of \$23,649, compared to a tax benefit of \$23,667 on Income before taxes from continuing operations of \$1,115 in the comparable prior year period. The six month period ended March 31, 2019 included net discrete tax provisions of \$370. The six month period ended March 31, 2018 included net discrete tax benefits of \$22,650 primarily related to the December 22, 2017 Tax Cuts and Jobs Act ("TCJA") associated with the revaluation of deferred tax liabilities, \$3,999 (\$2,726 net of tax) of acquisition costs, and \$2,614 (\$248 net of tax) of charges related to cost of life insurance benefits. Excluding these items, the effective tax rates for the six months ended March 31, 2019 and 2018 were 34.0% and 33.9%, respectively.

On December 22, 2017, the TCJA was signed into law, and, among other changes, reduced the federal statutory tax rate from 35.0% to 21.0%. In accordance with U.S. GAAP for income taxes, as well as SEC Staff Accounting Bulletin No. 118 ("SAB 118"), the Company made a reasonable estimate of the impacts of the TCJA and recorded this estimate in its results for the year ended September 30, 2018. SAB 118 allows for a measurement period of up to one year, from the date of enactment, to complete the Company's accounting for the impacts of the TCJA. Our analysis under SAB 118 was completed in December 2018 and resulted in no material adjustments to the provision amounts recorded as of September 30, 2018.

Stock based compensation

For the quarters ended March 31, 2019 and 2018, stock based compensation expense totaled \$3,422 and \$2,365, respectively. For the six months ended March 31, 2019 and 2018, stock based compensation expense totaled \$6,355 and \$4,920, respectively.

Comprehensive income (loss)

For the quarter ended March 31, 2019, total other comprehensive income, net of taxes, of \$2,880, included a gain of \$2,885 from foreign currency translation adjustments primarily due to the strengthening of the British Pound and Canadian Dollar, partially offset by the weakening of the Euro, all in comparison to the US Dollar, a \$184 benefit from pension amortization of actuarial losses and a \$189 loss on cash flow hedges.

For the six months ended March 31, 2019, total other comprehensive loss, net of taxes, of \$2,570, included a loss of \$2,851 from foreign currency translation adjustments primarily due to the weakening of the Euro and the Canadian and Australian Dollars, all in comparison to the US Dollar, a \$368 benefit from pension amortization of actuarial losses and a \$87 loss on cash flow hedges.

For the quarter ended March 31, 2018, total other comprehensive income, net of taxes, of \$20,401, included a gain of \$14,866 related to removal of PPC's foreign currency translation loss, which was considered in the gain on disposal of discontinued operations, a gain of \$4,848 from foreign currency translation adjustments primarily due to the strengthening of the Euro and British Pound, offset by the weakening of the Canadian and Australian Dollars, all in comparison to the US Dollar, a \$247 benefit from pension amortization of actuarial losses and a \$440 gain on cash flow hedges.

For the six months ended March 31, 2018, total other comprehensive income, net of taxes, of \$28,759 included a gain of \$14,866 related to removal of PPC's foreign currency translation loss, which was considered in the gain on disposal of discontinued operations, a gain of \$3,559 from foreign currency translation adjustments primarily due to the strengthening of the Euro and British Pound, offset by the weakening of the Canadian and Australian Dollars, all in comparison to the US Dollar, a \$9,806 benefit from pension amortization of actuarial losses and a \$528 gain on cash flow hedges.

Discontinued operations

During the quarter ended March 31, 2019, Griffon recorded an \$11,000 charge (\$7,646, net of tax) to discontinued operations. The charge consisted primarily of a purchase price adjustment to resolve a claim related to the \$475,000 PPC divestiture and included an additional reserve for a legacy environmental matter.

At March 31, 2019, Griffon's assets and liabilities for PPC and Installations Services and other discontinued operations primarily related to the above matter, insurance claims, income tax and product liability, warranty and environmental reserves totaling liabilities of approximately of \$13,964.

Plastic Products Company

On November 16, 2017, Griffon announced it entered into a definitive agreement to sell PPC and on February 6, 2018, completed the sale to Berry for \$465,000, net of certain post-closing adjustments. As a result, Griffon classified the results of operations of the PPC business as discontinued operations in the Consolidated Statements of Operations for all periods presented and classified the related assets and liabilities associated with the discontinued operations in the consolidated balance sheets. All results and information presented exclude PPC unless otherwise noted. PPC is a global leader in the development and production of embossed, laminated and printed specialty plastic films for hygienic, health-care and industrial products and sells to some of the world's largest consumer products companies. See Note 15, Discontinued Operations.

Installation Services and Other Discontinued Activities

In 2008, as a result of the downturn in the residential housing market, Griffon exited substantially all operating activities of its Installation Services segment which sold, installed and serviced garage doors and openers, fireplaces, floor coverings, cabinetry and a range of related building products, primarily for the new residential housing market. Operating results of substantially this entire segment have been reported as discontinued operations in the Consolidated Statements of Operations and Comprehensive Income (Loss) for all periods presented; Installation Services is excluded from segment reporting.

Griffon substantially concluded remaining disposal activities in 2009. There was no revenue or income from the Installation Services' business for the six months ended March 31, 2019 and 2018.

LIQUIDITY AND CAPITAL RESOURCES

Management assesses Griffon's liquidity in terms of its ability to generate cash to fund its operating, investing and financing activities. Significant factors affecting liquidity are: cash flows from operating activities, capital expenditures, acquisitions, dispositions, bank lines of credit and the ability to attract long-term capital under satisfactory terms. Griffon believes it has sufficient liquidity available to invest in its existing businesses and execute strategic acquisitions, while managing its capital structure on both a short-term and long-term basis.

The following table is derived from the Condensed Consolidated Statements of Cash Flows:

Cash Flows from Continuing Operations <i>(in thousands)</i>	For the Six Months Ended March 31,	
	2019	2018
Net Cash Flows Provided by (Used In):		
Operating activities	\$ (55,006)	\$ (47,100)
Investing activities	(37,328)	214,827
Financing activities	84,059	71,899

Cash used in the operating activities of continuing operations for the six months ended March 31, 2019 was \$55,006 compared to the \$47,100 used in the prior year period. Cash provided by income of continuing operations, adjusted for non-cash expenditures, was offset by a net increase in working capital consisting of a net increase in accounts receivable and contract costs and recognized income not yet billed, increased inventory and a decrease in accounts payable.

During the six months ended March 31, 2019, Griffon used \$37,328 of cash in investing activities from continuing operations compared to \$214,827 provided by investing activities in the prior year comparable period. Payments for acquired businesses totaled \$9,219 compared to \$246,230 in the prior year comparable period. Payments for acquired businesses in the current year consisted of a final working capital adjustment for CornellCookson. Payments for acquired businesses in the prior year were made to consummate the October 2, 2017 acquisition of ClosetMaid for approximately \$185,700, inclusive of post-closing adjustments, or \$165,000 net of the estimated present value of tax benefits under the current tax law. Additionally, on November 6, 2017, AMES acquired Harper for approximately \$5,000, excluding certain post-closing adjustments, and on February 13, 2018, AMES acquired Kelkey for approximately \$56,118 (GBP 40,452) subject to contingent consideration of up to GBP 7,000. The prior year Proceeds from sale of business resulted from the sale of PPC. Insurance payments and proceeds of \$10,604 and \$8,254, respectively, in the current and prior year periods, respectively, pertain to the settlement of a certain life insurance benefit. The prior year period insurance proceeds were reclassified from operating activities to investing activities to comply with accounting guidance on the Statement of Cash Flows classification of certain cash receipts and cash payments. Capital expenditures for the six months ended March 31, 2019 totaled \$17,418, a decrease of \$4,210 from the prior year period.

During the six months ended March 31, 2019, cash provided by financing activities from continuing operations totaled \$84,059 as compared to the \$71,899 provided in the comparable prior year period. Cash provided by financing activities from continuing operations in the current year period consisted primarily of net borrowings of long term debt, partially offset by payments of dividends. Cash provided by financing activities from continuing operations in the comparable prior year period included an add-on offering of \$275,000 aggregate principal amount of 5.25% senior notes due 2022, which was completed on October 2, 2017, the proceeds of which were used to purchase ClosetMaid, as well as for general corporate purposes (including reducing the outstanding balance of Griffon's Revolving Credit Facility (the "Credit Agreement")). At March 31, 2019, there were \$157,936 in outstanding borrowings under the Credit Agreement, compared to \$14,896 in outstanding borrowings at the same date in the prior year.

During the six months ended March 31, 2019, the Board of Directors approved two quarterly cash dividends of \$0.0725 per share each. On May 2, 2019, the Board of Directors declared a quarterly cash dividend of \$0.0725 per share, payable on June 20, 2019 to shareholders of record as of the close of business on May 24, 2019.

On August 3, 2016 and August 1, 2018, Griffon's Board of Directors authorized the repurchase of up to \$50,000 of Griffon's outstanding common stock. Under these share repurchase programs, the Company may, from time to time, purchase shares of its common stock in the open market, including pursuant to a 10b5-1 plan, or in privately negotiated transactions. During the quarter and six months ended March 31, 2019, Griffon purchased 8,200 and 37,500 shares, respectively, of common stock under these repurchase programs, for a total of \$82 or \$9.95 per share, and \$372 or \$9.92 per share, respectively. As of March 31, 2019, an aggregate of \$57,955 remains under Griffon's Board authorized repurchase programs.

Payments related to Telephonics revenue are received in accordance with the terms of development and production subcontracts; certain of such receipts are progress or performance based payments. With respect to HBP, there have been no material adverse impacts on payment for sales.

A small number of customers account for, and are expected to continue to account for, a substantial portion of Griffon's consolidated revenue from continuing operations. For the six months ended March 31, 2019:

- The United States Government and its agencies, through either prime or subcontractor relationships, represented 9% of Griffon's consolidated revenue and 63% of Telephonics' revenue.
- The Home Depot represented 17% of Griffon's consolidated revenue and 20% of HBP's revenue.

No other customer exceeded 10% of consolidated revenue. Future operating results will continue to depend substantially on the success of Griffon's largest customers and our ongoing relationships with them. Orders from these customers are subject to change and may fluctuate materially. The loss of all or a portion of the volume from any one of these customers could have a material adverse impact on Griffon's liquidity and results of operations.

Cash and Equivalents and Debt <i>(in thousands)</i>	March 31, 2019	September 30, 2018
Cash and equivalents	\$ 57,979	\$ 69,758
Notes payables and current portion of long-term debt	10,807	13,011
Long-term debt, net of current maturities	1,206,195	1,108,071
Debt discount/premium and issuance costs	11,982	13,610
Total debt	1,228,984	1,134,692
Debt, net of cash and equivalents	\$ 1,171,005	\$ 1,064,934

On October 2, 2017, in an unregistered offering through a private placement under Rule 144A, Griffon completed the add-on offering of \$275,000 principal amount of its 5.25% senior notes due 2022, at 101.00% of par, to Griffon's previously issued \$125,000 principal amount of its 5.25% senior notes due 2022, at 98.76% of par, completed on May 18, 2016 and \$600,000 5.25% senior notes due 2022, at par, completed on February 27, 2014 (collectively the "Senior Notes"). As of March 31, 2019, outstanding Senior Notes due totaled \$1,000,000; interest is payable semi-annually on March 1 and September 1. The net proceeds of the \$275,000 add-on offering were used to acquire ClosetMaid with the remaining proceeds used to pay down outstanding loan borrowings under the Credit Agreement. The net proceeds of the previously issued \$125,000 add-on offering were used to pay down outstanding revolving loan borrowings under the Credit Agreement.

The Senior Notes are senior unsecured obligations of Griffon guaranteed by certain domestic subsidiaries, and subject to certain covenants, limitations and restrictions. On February 5, 2018, July 20, 2016 and June 18, 2014, Griffon exchanged all of the \$275,000, \$125,000 and \$600,000 Senior Notes, respectively, for substantially identical Senior Notes registered under the Securities Act via an exchange offer. The fair value of the Senior Notes approximated \$985,770 on March 31, 2019 based upon quoted market prices (level 1 inputs). In connection with the issuance and exchange of the \$275,000 senior notes, Griffon capitalized \$8,472 of underwriting fees and other expenses; this is in addition to the \$13,329 capitalized under previously issued \$600,000 Senior Notes. All capitalized fees for the Senior Notes will amortize over the term of the notes and, at March 31, 2019, \$11,066 remained to be amortized.

On March 22, 2016, Griffon amended and restated the Credit Agreement to increase the commitments under the credit facility from \$250,000 to \$350,000, extend its maturity from March 13, 2020 to March 22, 2021, and modify certain other provisions of the facility. On October 2, 2017 and on May 31, 2018, Griffon amended the Credit Agreement in connection with the ClosetMaid and the CornellCookson acquisitions, respectively to, among other things, modify the net leverage covenant. On February 22, 2019, Griffon further amended the Revolving Credit Facility to, among other things, reflect changes in the lending group and certain corresponding changes in various administrative roles under the Revolving Credit Facility, make conforming administrative and technical changes and reflect changes in law. The facility includes a letter of credit sub-facility with a limit of \$50,000 and a multi-currency sub-facility of \$100,000. The Credit Agreement provides for same day borrowings of base rate loans. Borrowings under the Credit Agreement may be repaid and re-borrowed at any time, subject to final maturity of the facility or the occurrence of an event of default under the Credit Agreement. Interest is payable on borrowings at either a LIBOR or base rate benchmark rate, in each case without a floor, plus an applicable margin, which adjusts based on financial performance. Current margins are 1.75% for base rate loans and 2.75% for LIBOR loans. The Credit Agreement has certain financial maintenance tests including a maximum total leverage ratio, a maximum senior secured leverage ratio and a minimum interest coverage ratio, as well as customary affirmative and negative covenants and events of default. The negative covenants place limits on Griffon's ability to, among other

things, incur indebtedness, incur liens, and make restricted payments and investments. Borrowings under the Credit Agreement are guaranteed by Griffon's material domestic subsidiaries and are secured, on a first priority basis, by substantially all domestic assets of the Company and the guarantors, and a pledge of not greater than 65% of the equity interest in Griffon's material, first-tier foreign subsidiaries. At March 31, 2019, under the Credit Agreement, there were \$157,936 outstanding borrowings; outstanding standby letters of credit were \$16,081; and \$175,983 was available, subject to certain loan covenants, for borrowing at that date.

In September 2015 and March 2016, Griffon entered into mortgage loans in the amounts of \$32,280 and \$8,000, respectively, and were due to mature in September 2025 and April 2018, respectively. The mortgage loans were secured and collateralized by four properties occupied by Griffon's subsidiaries and were guaranteed by Griffon. The loans had an interest rate of LIBOR plus 1.50%. The loans were paid off during the year ended September 30, 2018.

In August 2016, Griffon's ESOP entered into an agreement that refinanced the existing ESOP loan into a new Term Loan in the amount of \$35,092 (the "Agreement"). The Agreement also provided for a Line Note with \$10,908 available to purchase shares of Griffon common stock in the open market. During 2017, Griffon's ESOP purchased 621,875 shares of common stock for a total of \$10,908 or \$17.54 per share, under a borrowing line that has now been fully utilized. On June 30, 2017, the Term Loan and Line Note were combined into a single Term Loan. The Term Loan interest rate was LIBOR plus 2.91%. The Term Loan required quarterly principal payments of \$569 and a balloon payment due at maturity. As a result of the special cash dividend of \$1.00 per share, paid on April 16, 2018, the outstanding balance of the Term Loan was reduced by \$5,705. The Term Loan was secured by shares purchased with the proceeds of the loan and with a lien on a specific amount of Griffon assets (which ranked pari passu with the lien granted on such assets under the Credit Agreement) and was guaranteed by Griffon. On March 13, 2019, the ESOP Term Loan was refinanced with an internal loan from Griffon which was funded with cash and a draw on its \$350,000 credit facility. The internal loan interest rate is fixed at 2.91%, matures in June 2033 and requires quarterly payments of principal, currently \$569, and interest. The internal loan is secured by shares purchased with the proceeds of the loan. The amount outstanding on the internal loan at March 31, 2019 was \$33,556.

Two of Griffon's subsidiaries have capital leases outstanding for real estate located in Troy, Ohio and Ocala, Florida. The leases mature in 2021 and 2022, respectively, and bear interest at fixed rates of approximately 5.0% and 8.0%, respectively. The Troy, Ohio lease is secured by a mortgage on the underlying real estate and is guaranteed by Griffon. The Ocala, Florida lease contains two five-year renewal options. At March 31, 2019, \$5,903 was outstanding, net of issuance costs.

In November 2012, Garant G.P. ("Garant") entered into a CAD \$15,000 (\$11,174 as of March 31, 2019) revolving credit facility. The facility accrues interest at LIBOR (USD) or the Bankers Acceptance Rate (CDN) plus 1.3% per annum (3.79% LIBOR USD and 3.14% Bankers Acceptance Rate CDN as of March 31, 2019). The revolving facility matures in October 2019. Garant is required to maintain a certain minimum equity. At March 31, 2019, there were no borrowings under the revolving credit facility with CAD 15,000 (\$11,174 as of March 31, 2019) available for borrowing.

In July 2016, Griffon Australia Holdings Pty Ltd and its Australian subsidiaries ("Griffon Australia") entered into an AUD 30,000 term loan and an AUD 10,000 revolver. The term loan refinanced two existing term loans and the revolver replaced two existing lines. In December 2016, the amount available under the revolver was increased from AUD 10,000 to AUD 20,000 and, in March 2017 and September 2017, the term loan commitment was increased by AUD 5,000 and AUD 15,000, respectively. In March 2019, the term loan commitment was reduced by AUD 10,000 with proceeds from a receivable purchase agreement in the amount of AUD 10,000. The term loan requires quarterly principal payments of AUD 1,250 plus interest with a balloon payment of AUD 13,375 due upon maturity in March 2022, and accrues interest at Bank Bill Swap Bid Rate "BBSY" plus 1.90% per annum (3.62% at March 31, 2019). As of March 31, 2019, the term loan had an outstanding balance of AUD 28,375 (\$20,104 as of March 31, 2019). The revolving facility and receivable purchase facility mature in March 2020, but are renewable upon mutual agreement with the lender. The revolving facility and receivable purchase facility accrue interest at BBSY plus 1.8% and 1.0%, respectively, per annum (3.55% and 2.75%, respectively, at March 31, 2019). At March 31, 2019, the revolver and receivable purchase facilities had outstanding balances of AUD 6,000 and AUD 10,000, respectively (\$4,251 and \$7,085, respectively, as of March 31, 2019). The revolver, receivable purchase facility and the term loan are all secured by substantially all of the assets of Griffon Australia and its subsidiaries. Griffon Australia is required to maintain a certain minimum equity level and is subject to a maximum leverage ratio and a minimum fixed charges cover ratio.

In July 2018, the AMES Companies UK Ltd and its subsidiaries ("AMES UK") entered into a GBP 14,000 term loan, GBP 4,000 mortgage loan and GBP 5,000 revolver. The term loan and mortgage loan require quarterly principal payments of GBP 350 and GBP 83 plus interest, respectively, and have balloon payments due upon maturity, July 2023, of GBP 7,000 and GBP 2,333, respectively. The Term Loan and Mortgage Loans accrue interest at the GBP LIBOR Rate plus 2.25% and 1.8%, respectively (3.10% and 2.65% at March 31, 2019, respectively). The revolving facility matures in July 2019, but is renewable upon mutual agreement with the lender, and accrues interest at the Bank of England Base Rate plus 1.5% (2.25% as of March 31, 2019). As of March 31, 2019, the revolver had an outstanding balance of GBP 4,639 (\$6,087 as March 31, 2019) while the term and mortgage

loan balances amounted to GBP 16,698 (\$21,910 as of March 31, 2019). The revolver and the term loan are both secured by substantially all of the assets of AMES UK and its subsidiaries. AMES UK is subject to a maximum leverage ratio and a minimum fixed charges cover ratio. An invoice discounting arrangement was canceled and replaced by the above loan facilities.

Other long-term debt consists primarily of a loan with the Pennsylvania Industrial Development Authority, with the balance consisting of capital leases.

At March 31, 2019, Griffon and its subsidiaries were in compliance with the terms and covenants of its credit and loan agreements. Net Debt to EBITDA (Leverage), as calculated in accordance with the definition in the Credit Agreement, was 5.7x at March 31, 2019.

On August 3, 2016 and August 1, 2018, Griffon's Board of Directors authorized the repurchase of up to \$50,000 of Griffon's outstanding common stock. Under these share repurchase programs, the Company may, from time to time, purchase shares of its common stock in the open market, including pursuant to a 10b5-1 plan, or in privately negotiated transactions. During the quarter and six months ended March 31, 2019, Griffon purchased 8,200 and 37,500 shares, respectively, of common stock under these repurchase programs, for a total of \$82 or \$9.95 per share, and \$372 or \$9.92 per share, respectively. As of March 31, 2019, an aggregate of \$57,955 remains under Griffon's Board authorized repurchase programs.

In addition, during the quarter and six months ended March 31, 2019, \$2,714 shares, with a market value of \$49 or \$17.90 per share, and 85,847 shares, with a market value of \$1,059, or \$12.34 per share, respectively, were withheld to settle employee taxes due upon the vesting of restricted stock, and were added to treasury stock. During the first quarter ended December 31, 2018, an additional 3,861 shares, with a market value of \$47, or \$12.16 per share, were withheld from common stock issued upon the vesting of restricted stock units to settle employee taxes due upon vesting.

On November 17, 2011, the Company began declaring quarterly dividends. During 2018, the Company declared and paid regular cash dividends totaling \$0.28 per share. In addition, on March 7, 2018, the Board of Directors declared a special cash dividend of \$1.00 per share paid in April 2018. During the six months ended March 31, 2019, the Board of Directors approved two quarterly cash dividends of \$0.0725 per share each. The Company currently intends to pay dividends each quarter; however, payment of dividends is determined by the Board of Directors at its discretion based on various factors, and no assurance can be provided as to the payment of future dividends.

On May 2, 2019, the Board of Directors declared a quarterly cash dividend of \$0.0725 per share, payable on June 20, 2019 to shareholders of record as of the close of business on May 24, 2019.

During the six months ended March 31, 2019, Griffon used cash for discontinued operations from operating activities of \$3,438 primarily related to retention bonus payments for previous PPC employees and certain legal and consulting payments related to the sale of PPC. During the six months ended March 31, 2018, Griffon used cash for discontinued operations from operating, investing and financing activities of \$48,383 primarily related to PPC operations and capital expenditures, as well as the repayment of outstanding debt upon the sale of PPC.

CRITICAL ACCOUNTING POLICIES

The preparation of Griffon's consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires the use of estimates, assumptions, judgments and subjective interpretations of accounting principles that have an impact on assets, liabilities, revenue and expenses. These estimates can also affect supplemental information contained in public disclosures of Griffon, including information regarding contingencies, risk and its financial condition. These estimates, assumptions and judgments are evaluated on an ongoing basis and based on historical experience, current conditions and various other assumptions, and form the basis for estimating the carrying values of assets and liabilities, as well as identifying and assessing the accounting treatment for commitments and contingencies. Actual results may materially differ from these estimates. There have been no changes in Griffon's critical accounting policies from September 30, 2018.

Griffon's significant accounting policies and procedures are explained in the Management Discussion and Analysis section in the Annual Report on Form 10-K for the year ended September 30, 2018. In the selection of the critical accounting policies, the objective is to properly reflect the financial position and results of operations for each reporting period in a consistent manner that can be understood by the reader of the financial statements. Griffon considers an estimate to be critical if it is subjective and if changes in the estimate using different assumptions would result in a material impact on the financial position or results of operations of Griffon.

RECENT ACCOUNTING PRONOUNCEMENTS

The FASB issues, from time to time, new financial accounting standards, staff positions and emerging issues task force consensus. See the Notes to Condensed Consolidated Financial Statements for a discussion of these matters.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, especially “Management’s Discussion and Analysis”, contains certain “forward-looking statements” within the meaning of the Securities Act, the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Such statements relate to, among other things, income (loss), earnings, cash flows, revenue, changes in operations, operating improvements, industries in which Griffon Corporation (the “Company” or “Griffon”) operates and the United States and global economies. Statements in this Form 10-Q that are not historical are hereby identified as “forward-looking statements” and may be indicated by words or phrases such as “anticipates,” “supports,” “plans,” “projects,” “expects,” “believes,” “should,” “would,” “could,” “hope,” “forecast,” “management is of the opinion,” “may,” “will,” “estimates,” “intends,” “explores,” “opportunities,” the negative of these expressions, use of the future tense and similar words or phrases. Such forward-looking statements are subject to inherent risks and uncertainties that could cause actual results to differ materially from those expressed in any forward-looking statements. These risks and uncertainties include, among others: current economic conditions and uncertainties in the housing, credit and capital markets; Griffon’s ability to achieve expected savings from cost control, restructuring, integration and disposal initiatives; the ability to identify and successfully consummate and integrate value-adding acquisition opportunities; increasing competition and pricing pressures in the markets served by Griffon’s operating companies; the ability of Griffon’s operating companies to expand into new geographic and product markets and to anticipate and meet customer demands for new products and product enhancements and innovations; reduced military spending by the government on projects for which Griffon’s Telephonics Corporation supplies products, including as a result of defense budget cuts or other government actions; the ability of the federal government to fund and conduct its operations; increases in the cost or lack of availability of raw materials such as resin, wood and steel, components or purchased finished goods, including any potential impact on costs or availability resulting from tariffs; changes in customer demand or loss of a material customer at one of Griffon’s operating companies; the potential impact of seasonal variations and uncertain weather patterns on certain of Griffon’s businesses; political events that could impact the worldwide economy; a downgrade in Griffon’s credit ratings; changes in international economic conditions including interest rate and currency exchange fluctuations; the reliance by certain of Griffon’s businesses on particular third party suppliers and manufacturers to meet customer demands; the relative mix of products and services offered by Griffon’s businesses, which impacts margins and operating efficiencies; short-term capacity constraints or prolonged excess capacity; unforeseen developments in contingencies, such as litigation, regulatory and environmental matters; unfavorable results of government agency contract audits of Telephonics Corporation; Griffon’s ability to adequately protect and maintain the validity of patent and other intellectual property rights; the cyclical nature of the businesses of certain of Griffon’s operating companies; possible terrorist threats and actions and their impact on the global economy; Griffon’s ability to service and refinance its debt; and the impact of recent and future legislative and regulatory changes, including, without limitation, the TCJA. Additional important factors that could cause the statements made in this Quarterly Report on Form 10-Q or the actual results of operations or financial condition of Griffon to differ are discussed under the caption “Item 1A. Risk Factors” and “Special Notes Regarding Forward-Looking Statements” in Griffon’s Annual Report on Form 10-K for the year ended September 30, 2018. Readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements speak only as of the date made. Griffon undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Item 3 - Quantitative and Qualitative Disclosure About Market Risk

Griffon’s business’ activities necessitate the management of various financial and market risks, including those related to changes in interest rates, foreign currency rates and commodity prices.

Interest Rates

Griffon’s exposure to market risk for changes in interest rates relates primarily to variable interest rate debt and investments in cash and equivalents.

The Credit Agreement and certain other of Griffon’s credit facilities have a LIBOR-based variable interest rate. Due to the current and expected level of borrowings under these facilities, a 100 basis point change in LIBOR would not have a material impact on Griffon’s results of operations or liquidity.

Foreign Exchange

Griffon conducts business in various non-US countries, primarily in Canada, Australia, United Kingdom, Mexico and China; therefore, changes in the value of the currencies of these countries affect Griffon's financial position and cash flows when translated into US Dollars. Griffon has generally accepted the exposure to exchange rate movements relative to its non-US operations. Griffon may, from time to time, hedge its currency risk exposures. A change of 10% or less in the value of all applicable foreign currencies would not have a material effect on Griffon's financial position and cash flows.

Item 4 - Controls and Procedures

Under the supervision and with the participation of Griffon's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), Griffon's disclosure controls and procedures, as defined by Exchange Act Rule 13a-15(e) and 15d-15(e), were evaluated as of the end of the period covered by this report. Based on that evaluation, Griffon's CEO and CFO concluded that Griffon's disclosure controls and procedures were effective at the reasonable assurance level.

Griffon is continuing to integrate CornellCookson into its existing control procedures. Such integration may lead Griffon to modify certain controls for future periods, but Griffon does not expect changes, if any, to significantly affect its internal control over financial reporting.

During the period covered by this report, there were no changes in Griffon's internal control over financial reporting which materially affected, or are reasonably likely to materially affect, Griffon's internal control over financial reporting.

Limitations on the Effectiveness of Controls

Griffon believes that a control system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the control system are met, and no evaluation of controls can provide absolute assurance that all controls issues and instances of fraud, if any, within a company have been detected. Griffon's disclosure controls and procedures, as defined by Exchange Act Rule 13a-15(e) and 15d-15(e), are designed to provide reasonable assurance of achieving their objectives.

PART II - OTHER INFORMATION

Item 1 Legal Proceedings

None

Item 1A Risk Factors

In addition to the other information set forth in this report, carefully consider the factors discussed in Item 1A to Part I in Griffon's Annual Report on Form 10-K for the year ended September 30, 2018, which could materially affect Griffon's business, financial condition or future results. The risks described in Griffon's Annual Report on Form 10-K are not the only risks facing Griffon. Additional risks and uncertainties not currently known to Griffon or that Griffon currently deems to be immaterial also may materially adversely affect Griffon's business, financial condition and/or operating results.

Item 2 Unregistered Sales of Equity Securities and Use of Proceeds

(c) ISSUER PURCHASES OF EQUITY SECURITIES

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid Per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs (1)	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) That May Yet Be Purchased Under the Plans or Programs(1)
January 1 - 31, 2019	8,200 (1)	\$ 9.95	8,200	
February 1 - 28, 2019	—	—	—	
March 1 - 31, 2019	2,714 (2)	17.90	—	
Total	<u>10,914</u>	<u>\$ 11.93</u>	<u>8,200</u>	<u>\$ 57,955</u>

1. On each of August 3, 2016 and August 1, 2018, the Company's Board of Directors authorized the repurchase of up to \$50,000 of Griffon common stock; as of March 31, 2019, an aggregate of \$57,955 remained available for the purchase of Griffon common stock under these repurchase programs. Amount consists of shares purchased by the Company in open market purchases pursuant to such Board authorized stock repurchase program.

2. Shares acquired by the Company from holders of restricted stock upon vesting of the restricted stock, to satisfy tax-withholding obligations of the holders.

Item 3 Defaults Upon Senior Securities

None

Item 4 Mine Safety Disclosures

None

Item 5 Other Information

None

Item 6	Exhibits
10.1	<u>Fifth Amendment to Third Amended and Restated Credit Agreement, dated as of February 22, 2019, to that certain Third Amended and Restated Credit Agreement, dated as of March 22, 2016, among the Company, the several banks and other financial institutions or entities from time to time parties thereto, Bank of America, N.A., as administrative agent, and the other agents party thereto.</u>
31.1	<u>Certification pursuant to Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.2	<u>Certification pursuant to Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
32	<u>Certifications pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Document
101.DEF	XBRL Taxonomy Extension Definitions Document
101.LAB	XBRL Taxonomy Extension Labels Document
101.PRE	XBRL Taxonomy Extension Presentations Document
*	Indicates a management contract or compensatory plan or arrangement.

SIGNATURES

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

GRIFFON CORPORATION

/s/ Brian G. Harris

Brian G. Harris

Senior Vice President and Chief Financial Officer

(Principal Financial Officer)

/s/ W. Christopher Durborow

W. Christopher Durborow

Vice President, Controller and Chief Accounting Officer

(Principal Accounting Officer)

Date: May 2, 2019

FIFTH AMENDMENT TO THIRD AMENDED AND RESTATED CREDIT AGREEMENT

FIFTH AMENDMENT TO THIRD AMENDED AND RESTATED CREDIT AGREEMENT, dated as of February 22, 2019 (this "**Agreement**"), to that certain Third Amended and Restated Credit Agreement, dated as of March 22, 2016 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof, the "**Credit Agreement**"; the Credit Agreement, as modified by this Agreement, the "**Amended Credit Agreement**") among Griffon Corporation, a Delaware corporation (the "**Borrower**"), the several banks and other financial institutions or entities from time to time parties thereto (the "**Lenders**"), Bank of America, N.A., as administrative agent (as successor in interest to JPMorgan Chase Bank, N.A. (in such capacity, the "**Resigning Administrative Agent**"), in such capacity (the "**Successor Administrative Agent**"), and the other agents party thereto.

RECITALS:

WHEREAS, pursuant to Section 10.02 of the Credit Agreement, the Credit Agreement and a Security Agreement may be amended by a written document entered into by the Borrower and the Required Lenders;

WHEREAS, pursuant to Section 10.02 of the Credit Agreement, the rights or duties of the Administrative Agent or any Issuing Lender may not be modified without the prior written consent of the Administrative Agent or such Issuing Lender, as the case may be;

WHEREAS, the Borrower desires to amend the Credit Agreement and the other Loan Documents on the terms set forth herein;

WHEREAS, on the Fifth Amendment Effective Date (as defined below), JPMorgan Chase Bank, N.A. intends to resign as the Administrative Agent under the Credit Agreement and the other Loan Documents;

WHEREAS, subject to the terms and conditions set forth herein, the Required Lenders and the Borrower desire to appoint Bank of America, N.A. to act as successor Administrative Agent under the Amended Credit Agreement and the other Loan Documents and Bank of America, N.A. desires to be appointed as successor Administrative Agent under the Amended Credit Agreement and the other Loan Documents;

WHEREAS, the Successor Administrative Agent, the Resigning Administrative Agent and the Borrower desire to enter into that certain Successor Administrative Agent Agreement, dated as of the Fifth Amendment Effective Date (as defined below) (the "**Agency Transfer Agreement**");

WHEREAS, the Required Lenders, the Resigning Administrative Agent, the Successor Administrative Agent and the Issuing Lenders are willing to agree to the amendments to the Credit Agreement set forth in Section 2 hereof and the amendments to the Guarantee and Collateral Agreement set forth in Section 3 hereof, in each case, on the terms set forth herein;

WHEREAS, on the Fifth Amendment Effective Date, Wells Fargo Bank, National Association desires to resign as an Issuing Lender;

WHEREAS, substantially concurrently with the effectiveness of this Agreement and pursuant to the Assignment and Assumption attached as Annex I hereto, JPMorgan Chase Bank, N.A. (“**JPMorgan**”) desires to irrevocably sell and assign to Bank of America, N.A. (“**Bank of America**”), and Bank of America desires to irrevocably purchase and assume from JPMorgan, all of JPMorgan’s rights and obligations in its capacity as a Lender under the Amended Credit Agreement such that, on the Fifth Amendment Effective Date immediately after giving effect to this Agreement, JPMorgan shall not be a Lender or an Issuing Lender under the Amended Credit Agreement (the “**JPM/BofA Assignment**”);

WHEREAS, substantially concurrently with the effectiveness of this Agreement and pursuant to the Assignment and Assumption attached as Annex II hereto, Bank of America desires to irrevocably sell and assign to BNP Paribas (“**BNP**”), and BNP desires to irrevocably purchase and assume from Bank of America, all of Bank of America’s rights and obligations in its capacity as a Lender under the Amended Credit Agreement (before giving effect to the JPM/BofA Assignment) (the “**BofA/BNP Assignment**”);

WHEREAS, immediately after giving effect to this Agreement, the JPM/BofA Assignment and the BofA/BNP Assignment, the initial amount of each Lender’s Commitment is set forth on Schedule 1.01 in Exhibit B attached hereto;

NOW, THEREFORE, in consideration of the premises contained herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

Section 1. *Defined Terms.* Unless otherwise specifically defined herein, each term used herein (including in the recitals above) has the meaning assigned to such term in the Amended Credit Agreement.

Section 2. *Amendments to Credit Agreement*

(a) The Borrower, the Resigning Administrative Agent, the Successor Administrative Agent, the Issuing Lenders and the Required Lenders agree that the Credit Agreement (excluding all exhibits and schedules thereto) shall be amended on the Fifth Amendment Effective Date as set forth in Exhibit A hereto to delete the stricken text therein (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text therein (indicated textually in the same manner as the following example: double-underlined text), and on the Fifth Amendment Effective Date, the Amended Credit Agreement shall replace the terms of the Existing Credit Agreement. As used in the Amended Credit Agreement, the terms “Agreement”, “this Agreement”, “herein”, “hereinafter”, “hereto”, “hereof”, and words of similar import shall, unless the context otherwise requires, mean, from and after the replacement of the terms of the Credit Agreement by the terms of the Amended Credit Agreement, the Amended Credit Agreement.

(b) Schedules 1.01, 4.14, 4.15(a), 4.16 and 10.01 to the Credit Agreement are hereby amended and restated in their entirety in the form of Schedules 1.01, 4.14, 4.15(a), 4.16 and 10.01 attached hereto as Exhibit B.

(c) (i) Exhibit C attached hereto shall become Exhibit F to the Amended Credit Agreement, (ii) Exhibit D attached hereto shall become Exhibit G to the Amended Credit Agreement and (iii) Exhibit A to

the Credit Agreement is hereby amended and restated in its entirety in the form of Exhibit E attached hereto.

(d) The Letters of Credit listed on Schedule I attached hereto, which were issued under the Credit Agreement and outstanding immediately prior to the Fifth Amendment Effective Date, shall no longer constitute Letters of Credit for purposes of the Amended Credit Agreement as of the Fifth Amendment Effective Date.

Section 3. *Amendments to Guarantee and Collateral Agreement*

(a) Section 1.1(b) of the Guarantee and Collateral Agreement is hereby amended as follows:

(i) by amending and restating the definition of “Specified Swap Agreement” set forth therein in its entirety as follows:

“Specified Swap Agreement”: any Swap Agreement in respect of interest rates, currency exchange rates or commodity prices entered into by any Loan Party and any Person (such Person, a “Hedge Bank”) that is a Lender or an Affiliate of a Lender at the time such Swap Agreement is entered into (or, in respect of any Swap Agreement in respect of interest rates, currency exchange rates or commodity prices entered into by any Loan Party prior to the Effective Date, any Person that is a Lender or an Affiliate of a Lender on the Effective Date) (without regard to whether such Person subsequently ceases to be a Lender or an Affiliate of a Lender) (or any assignee of a Person that was itself a Hedge Bank with respect to a Specified Swap Agreement at the time of the assignment thereof, in its capacity as a party to such Specified Swap Agreement), which has been designated by such Lender and the Borrower, by notice to the Administrative Agent not later than 90 days after the execution and delivery by such Loan Party of such Specified Swap Agreement (or (i) in the case of any such Swap Agreement entered into prior to the Effective Date, 90 days after the Effective Date, if later, (ii) in the case of any such Swap Agreement entered into prior to the Restatement Effective Date, 90 days after the Restatement Effective Date, if later, and (iii) in the case of any such Swap Agreement in respect of commodity prices entered into prior to the Second GCA Amendment Effective Date, 90 days after the Second GCA Amendment Effective Date, if later), as a “Specified Swap Agreement.”

(ii) by amending and restating the definition of “Specified Cash Management Agreement” set forth therein in its entirety as follows:

“Specified Cash Management Agreement”: any agreement providing for treasury, depository or cash management services, including in connection with any automated clearing house transfers of funds or any similar transactions between any Loan Party and any Lender or Affiliate thereof (such Lender or Affiliate thereof, a “Cash Management Bank”), which has been designated by such Lender and the Borrower, by notice to the Administrative Agent not later than 90 days after the execution and delivery by such Loan Party of such Specified Cash Management Agreement (or (i) in the case of any such agreement entered into prior to the Effective Date, 90 days after the Effective Date, if later and (ii) in the case of any such agreement entered into prior to the Restatement Effective Date, 90 days after the Restatement Effective Date, if later), as a “Specified Cash Management Agreement.”“

(b) Section 6.5 of the Guarantee and Collateral Agreement is hereby amended by adding the following as a new paragraph at the end of such Section:

“Notwithstanding the foregoing, Obligations arising under Specified Cash Management Agreements and Specified Swap Agreements shall be excluded from the application described above if the Administrative Agent has not received written notice thereof, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be. Each Cash Management Bank or Hedge Bank not a party to the Credit Agreement that has given the notice contemplated by the preceding sentence shall, by such notice, be deemed to have acknowledged and accepted the appointment of the Administrative Agent pursuant to, and be bound by, the terms of Article IX hereof for itself and its Affiliates as if a “Lender” party hereto.”

Section 4. *Conditions.* This Agreement, the Amended Credit Agreement and the amendments to the Guarantee and Collateral Agreement shall become effective on the date (the “Fifth Amendment Effective Date”) on which all of the following conditions precedent have been satisfied or waived:

(a) the Administrative Agent shall have received this Agreement, duly executed and delivered by a duly authorized officer of each of (A) the Borrower, (B) the Resigning Administrative Agent, (C) the Successor Administrative Agent, (D) the Issuing Lenders and (E) the Required Lenders;

(b) the Borrower shall have paid, or caused to have been paid, (i) to the Resigning Administrative Agent, the Successor Administrative Agent and the Fifth Amendment Arranger, as applicable, all fees and other amounts due and payable on or prior to the date hereof, including, to the extent invoiced, reimbursement or payment of all reasonable out-of-pocket expenses (including reasonable fees, charges and disbursements of counsel) required to be reimbursed or paid by any Loan Party hereunder or under any Loan Document and (ii) all fees required to be paid, and all expenses required to be paid or reimbursed, pursuant to that certain Engagement and Fee Letter, dated as of February 12, 2019, among the Borrower, Bank of America, N.A. and Merrill Lynch, Pierce, Fenner & Smith Incorporated;

(c) the representations and warranties of the Borrower set forth in the Amended Credit Agreement, and of each Loan Party in each of the Loan Documents to which it is a party, shall be true and correct in all material respects (except for representations and warranties that are already qualified by materiality, which representations and warranties shall be true and correct in all respects after giving effect to such qualification) on and as of the Fifth Amendment Effective Date; provided that any representation and warranty that expressly relates to a given date shall be true and correct in all material respects as of such given date; provided, further, that the representations and warranties contained in Section 4.04(a) of the Amended Credit Agreement shall be deemed to refer to the most recent financial statements required to be delivered pursuant to Section 6.01 of the Amended Credit Agreement;

(d) no Default shall have occurred and be continuing;

(e) the Successor Administrative Agent shall have received counterparts to the Agency Transfer Agreement, executed by the parties thereto;

(f) the Successor Administrative Agent shall have received a certificate, dated the Fifth Amendment Effective Date and signed by a senior executive officer of the Borrower, confirming compliance with the conditions set forth in clauses (c) and (d) of this Section 4;

(g) the Successor Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Borrower and each other Loan Party and the authorization of the transactions contemplated by this Agreement all in form and substance reasonably satisfactory to the Successor Administrative Agent and its counsel;

(h) to the extent the Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation and to the extent requested by the Successor Administrative Agent, any Issuing Lender or any Lender, the Borrower shall deliver to the Successor Administrative Agent, such Issuing Lender and such Lender, as applicable, a Beneficial Ownership Certification at least three Business Days prior to the Fifth Amendment Effective Date;

(i) the Resigning Administrative Agent shall have received from the Borrower, for the payment to the Lenders and the Issuing Lenders, as applicable, all accrued and unpaid interest on the Loans, commitment fees, participation fees and fronting fees, in each case, to, but excluding, the Fifth Amendment Effective Date; and

(j) the Successor Administrative Agent shall have received the requisite signature pages to the Assignment and Assumptions related to each of the JPM/BofA Assignment and the BofA/BNP Assignment.

Section 5. *Representations and Warranties.* The Borrower (and each Loan Party, in respect of clauses (a) and (d) below, as applicable) hereby represents and warrants that (a) each of the representations and warranties of the Borrower set forth in the Amended Credit Agreement, and of each Loan Party in each of the Loan Documents to which it is a party, are true and correct in all material respects (except for representations and warranties that are already qualified by materiality, which representations and warranties shall be true and correct in all respects after giving effect to such qualification) on and as of the Fifth Amendment Effective Date (provided that any representation and warranty that expressly relates to a given date shall be true and correct in all material respects as of such given date; provided, further, that the representations and warranties contained in Section 4.04(a) of the Amended Credit Agreement shall be deemed to refer to the most recent financial statements required to be delivered pursuant to Section 6.01 of the Amended Credit Agreement), (b) at the time of and immediately after giving effect to this Agreement, no Default has occurred and is continuing, (c) as of the Fifth Amendment Effective Date, the information included in the Beneficial Ownership Certification provided on or prior to the Fifth Amendment Effective Date to any Lender in connection with this Agreement is true and correct in all material respects, and (d) this Agreement has been duly authorized, executed and delivered by each Loan Party and constitutes a legal, valid and binding obligation of each Loan Party, enforceable against each Loan Party in accordance with its terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors’ rights and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 6. *Resignation, Appointment and Replacement of Administrative Agent and Collateral Agent.* JPMorgan Chase Bank, N.A. hereby resigns as Administrative Agent under the Credit Agreement and the other Loan Documents. Pursuant to Section 9.06 of the Amended Credit Agreement, (i) the Required Lenders accept the resignation of JPMorgan Chase Bank, N.A. as Administrative Agent and hereby appoint Bank of

America, N.A. as Administrative Agent under the Amended Credit Agreement and the other Loan Documents, (ii) Bank of America, N.A. accepts such appointment, (iii) each Loan Party consents to such resignation and appointment, (iv) Bank of America, N.A. shall succeed to and become vested with all of the rights, powers and duties of the Administrative Agent, (v) JPMorgan Chase Bank, N.A.'s rights, powers and duties as Administrative Agent under the Credit Agreement and the other Loan Documents shall be terminated, without any other or further act or deed on the part of the Resigning Agent, any party to the Amended Credit Agreement or any Lender, (vi) the parties hereto hereby waive all prior notice requirements related to the resignation by JPMorgan Chase Bank, N.A. as Administrative Agent and (vii) the Required Lenders authorize and approve the Agency Transfer Agreement and such other documents and instruments to be executed and delivered and actions to be taken by the Resigning Administrative Agent and Successor Administrative Agent to effect the foregoing. The approval of the resignation and the successor appointment contemplated in this Section 6 shall be effective immediately as of the Fifth Amendment Effective Date, notwithstanding any otherwise applicable notice provisions set forth in the Credit Agreement. Bank of America, N.A., in its individual capacity and in its capacity as the Successor Administrative Agent, shall bear no responsibility or liability for any actions taken or omitted to be taken by JPMorgan Chase Bank, N.A. in its capacity as the Resigning Administrative Agent, or otherwise under the Credit Agreement and the other Loan Documents or the transactions contemplated thereby. The parties hereto acknowledge that JPMorgan Chase Bank, N.A. in its capacity as the Resigning Administrative Agent shall retain all claims and rights to indemnification under the Amended Credit Agreement and the other Loan Documents to the extent set forth therein for the transactions contemplated thereby or any action taken or omitted by JPMorgan Chase Bank, N.A., in each case, on or prior to the Fifth Amendment Effective Date in its capacity as Resigning Administrative Agent under the Credit Agreement and the other Loan Documents.

Section 7. *Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.* This Agreement shall be construed in accordance with and governed by the law of the State of New York. Each of the parties hereto irrevocably and unconditionally agrees that Sections 10.09 and 10.10 of the Amended Credit Agreement are incorporated herein *mutatis mutandis*.

Section 8. *Effect of This Agreement; No Novation.* Except as expressly set forth herein, this Agreement shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of any Lender, any Issuing Lender or the Administrative Agent under the Amended Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Amended Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle any party to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Amended Credit Agreement or any other Loan Document in similar or different circumstances. Each of the parties hereto irrevocably and unconditionally agrees that this Agreement and the Amended Credit Agreement shall not be deemed to evidence or result in a novation of the Credit Agreement or any other Loan Document.

Section 9. *Counterparts.* This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic transmission shall be as effective as delivery of a manually executed counterpart thereof.

Section 10. *Miscellaneous*. This Agreement shall constitute a Loan Document for all purposes of the Amended Credit Agreement. The Borrower shall pay all reasonable fees, costs and expenses of the Administrative Agent incurred in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated hereby.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

GRIFFON CORPORATION

By: /s/ Seth L. Kaplan
Name: Seth L. Kaplan
Title: Senior Vice President, General Counsel and Secretary

TELEPHONICS CORPORATION

By: /s/ Seth L. Kaplan
Name: Seth L. Kaplan
Title: Executive Vice President and Assistant Secretary

CLOPAY BUILDING PRODUCTS
COMPANY, INC.

By: /s/ Seth L. Kaplan
Name: Seth L. Kaplan
Title: Vice President and Assistant Secretary

CORNELL REAL ESTATE HOLDINGS, LLC

By: /s/ Seth L. Kaplan
Name: Seth L. Kaplan
Title: Vice President

THE AMES COMPANIES, INC.

By: /s/ Seth L. Kaplan
Name: Seth L. Kaplan
Title: Vice President

CLOPAY AMES TRUE TEMPER HOLDING CORP.

By: /s/ Seth L. Kaplan
Name: Seth L. Kaplan
Title: Vice President and Secretary

ATT SOUTHERN LLC

By: /s/ Seth L. Kaplan
Name: Seth L. Kaplan
Title: Vice President

CLOSETMAID LLC

By: /s/ Seth L. Kaplan
Name: Seth L. Kaplan
Title: Vice President

CORNELLCOOKSON, LLC

By: /s/ Seth L. Kaplan
Name: Seth L. Kaplan
Title: Vice President and Assistant Secretary

[Griffon Corporation – Fifth Amendment to Third Amended and Restated Credit Agreement]

BANK OF AMERICA, N.A., as Successor Administrative Agent

By: /s/ Gavin Shak
Name: Gavin Shak
Title: Assistant Vice President

BANK OF AMERICA, N.A., as an Issuing Lender

By: /s/ John Falke
Name: John Falke
Title: Senior Vice President

[Griffon Corporation – Fifth Amendment to Third Amended and Restated Credit Agreement]

JPMORGAN CHASE BANK, N.A., as Resigning Administrative Agent

By: /s/ Joon Hur

Name: Joon Hur

Title: Executive Director

[Griffon Corporation – Fifth Amendment to Third Amended and Restated Credit Agreement]

JPMORGAN CHASE BANK, N.A.,
as a Lender and an Issuing Lender

By: /s/ Joon Hur
Name: Joon Hur
Title: Executive Director

[Griffon Corporation – Fifth Amendment to Third Amended and Restated Credit Agreement]

DEUTSCHE BANK AG NEW YORK BRANCH, as a Lender

By: /s/ Yumi Okabe
Name: Yumi Okabe
Title: Vice President

By: /s/ Michael Strobel
Name: Michael Strobel
Title: Vice President

[Griffon Corporation – Fifth Amendment to Third Amended and Restated Credit Agreement]

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender
and an Issuing Lender

By: /s/ Stephanie Allegra
Name: Stephanie Allegra
Title: Senior Vice President

[Griffon Corporation – Fifth Amendment to Third Amended and Restated Credit Agreement]

CAPITAL ONE, NATIONAL ASSOCIATION, as a Lender

By: /s/ Paul Darrigo
Name: Paul Darrigo
Title: SVP

[Griffon Corporation – Fifth Amendment to Third Amended and Restated Credit Agreement]

CITIZENS BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Angela Reilly

Name: Angela Reilly

Title: Sr Vice President

[Griffon Corporation – Fifth Amendment to Third Amended and Restated Credit Agreement]

MANUFACTURERS AND TRADERS TRUST COMPANY, as a
Lender

By: /s/ William Terraglio
Name: William Terraglio
Title: Vice President

[Griffon Corporation – Fifth Amendment to Third Amended and Restated Credit Agreement]

KEYBANK NATIONAL ASSOCIATION, as a Lender

By: /s/ David W. Lewing
Name: David W. Lewing
Title: SVP

[Griffon Corporation – Fifth Amendment to Third Amended and Restated Credit Agreement]

BMO Harris Bank N.A., as a Lender

By: /s/ Andrew Berryman
Name: Andrew Berryman
Title: Vice President

[Griffon Corporation – Fifth Amendment to Third Amended and Restated Credit Agreement]

Letters of Credit

1. Letter of Credit (Transaction Reference # TPTS-681855), dated November 3, 2008, issued by JPMorgan Chase Bank, N.A. for the benefit of Clopay Corporation;
2. Letter of Credit (Transaction Reference # CPCS-428880), dated January 29, 2015, issued by JPMorgan Chase Bank, N.A. for the benefit of Telephonics Corporation;
3. Letter of Credit (Transaction Reference # TPTS-239312), dated February 24, 2006, issued by JPMorgan Chase Bank, N.A. for the benefit of Griffon Corporation;
4. Letter of Credit (Transaction Reference # CPCS-155844), dated July 15, 2016, issued by JPMorgan Chase Bank, N.A. for the benefit of Telephonics Corporation;
5. Letter of Credit (Transaction Reference # CPCS-428883), dated April 14, 2015, issued by JPMorgan Chase Bank, N.A. for the benefit of Telephonics Corporation;
6. Letter of Credit (Transaction Reference # TPTS-239320), dated February 24, 2006, issued by JPMorgan Chase Bank, N.A. for the benefit of Griffon Corporation;
7. Letter of Credit (Transaction Reference # CPCS-157891), dated October 13, 2017, issued by JPMorgan Chase Bank, N.A. for the benefit of Telephonics Corporation;
8. Letter of Credit (Transaction Reference # CPCS-884321), dated November 10, 2010, issued by JPMorgan Chase Bank, N.A. for the benefit of AMES True Temper, Inc. for the benefit of Acorn Products, Inc.;
9. Letter of Credit (Transaction Reference # TPTS-681853), dated November 3, 2008, issued by JPMorgan Chase Bank, N.A. for the benefit of Clopay Corporation;
10. Letter of Credit (Transaction Reference # TPTS-238279), dated February 21, 2006, issued by JPMorgan Chase Bank, N.A. for the benefit of Griffon Corporation;
11. Letter of Credit (Transaction Reference # NUSCGS001041), dated April 16, 2018, issued by JPMorgan Chase Bank, N.A. for the benefit of Telephonics Corporation;
12. Letter of Credit (Transaction Reference # TPTS-239316), dated February 24, 2006, issued by JPMorgan Chase Bank, N.A. for the benefit of Griffon Corporation;
13. Letter of Credit (Transaction Reference # NUSCGS001042), dated April 16, 2018, issued by JPMorgan Chase Bank, N.A. for the benefit of Telephonics Corporation;
14. Letter of Credit (Transaction Reference # CPCS-289741), dated November 4, 2011, issued by JPMorgan Chase Bank, N.A. for the benefit of Clopay Corporation;
15. Letter of Credit (Transaction Reference # NUSCGS001047), dated January 24, 2018, issued by JP Morgan Chase Bank, N.A. for the benefit of Griffon Corporation;
16. Letter of Credit (Transaction Reference # CPCS-428372), dated September 17, 2014, issued by JP Morgan Chase Bank, N.A. for the benefit of Telephonics Corporation;
17. Letter of Credit (Transaction Reference # NUSCGS018069), dated October 18, 2018, issued by JP Morgan Chase Bank, N.A. for the benefit of Cornell Cookson, LLC;
18. Letter of Credit (Transaction Reference # CPCS-428373), dated September 19, 2014, issued by JP Morgan Chase Bank, N.A. for the benefit of Telephonics Corporation; and
19. Letter of Credit (Transaction Reference # NUSCGS0181716), dated February 1, 2019, issued by JP Morgan Chase Bank, N.A. for the benefit of Telephonics Corporation

JPM/BofA Assignment and Assumption

[See attached]

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the “Assignment and Assumption”) is dated as of the Effective Date set forth below and is entered into between the Assignor named below (the “Assignor”) and the Assignee named below (the “Assignee”). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the “Credit Agreement”), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex I attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent below (i) all of the Assignor’s rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit, guarantees, and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under Applicable Law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the “Assigned Interest”). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: JPMORGAN CHASE BANK, N.A.
2. Assignee: BANK OF AMERICA, N.A.
3. Borrower(s): GRIFFON CORPORATION
4. Administrative Agent: Bank of America, N.A., as administrative agent under the Credit Agreement
5. Credit Agreement: The Third Amended and Restated Credit Agreement dated as of March 22, 2016 among Griffon Corporation, the Lenders parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other parties party thereto (as amended, restated, amended and restated, supplemented or otherwise modified from time to time)

6. Assigned Interest:

Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/Loans ¹
\$350,000,000.00	\$59,000,000.00	16.857142857%

Effective Date: February 22, 2019

The Assignee agrees to deliver to the Administrative Agent a completed administrative questionnaire in which the Assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower, the Loan Parties and their Affiliates or their respective securities) will be made available and who may receive such information in accordance with the Assignee's compliance procedures and Applicable Laws, including Federal and state securities laws.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

JPMORGAN CHASE BANK, N.A.

By: /s/ Joon Hurr
Name: Joon Hurr
Title: Executive Director

ASSIGNEE

BANK OF AMERICA, N.A.

By: /s/ John Falke
Name: John Falke
Title: Senior Vice President

¹ Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders.

Consented to and Accepted:

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

By: /s/ John Falke
Name: John Falke
Title: Senior Vice President

Consented to:

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

By: /s/ John Falke
Name: John Falke
Title: Senior Vice President

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is not a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 6.01 thereof, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender and (vi) if it is a Non-U.S. Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date. Notwithstanding the foregoing, the Administrative Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to the Assignee.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and

Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by email or telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

BofA/BNP Assignment and Assumption

[See attached]

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the “Assignment and Assumption”) is dated as of the Effective Date set forth below and is entered into between the Assignor named below (the “Assignor”) and the Assignee named below (the “Assignee”). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the “Credit Agreement”), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex I attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent below (i) all of the Assignor’s rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit, guarantees, and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under Applicable Law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the “Assigned Interest”). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: BANK OF AMERICA, N.A.
2. Assignee: BNP PARIBAS
3. Borrower(s): GRIFFON CORPORATION
4. Administrative Agent: Bank of America, N.A., as administrative agent under the Credit Agreement
5. Credit Agreement: The Third Amended and Restated Credit Agreement dated as of March 22, 2016 among Griffon Corporation, the Lenders parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other parties party thereto (as amended, restated, amended and restated, supplemented or otherwise modified from time to time)

6. Assigned Interest:

Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/Loans ²
\$350,000,000.00	\$40,000,000.00	11.428571428%

Effective Date: February 22, 2019

The Assignee agrees to deliver to the Administrative Agent a completed administrative questionnaire in which the Assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower, the Loan Parties and their Affiliates or their respective securities) will be made available and who may receive such information in accordance with the Assignee's compliance procedures and Applicable Laws, including Federal and state securities laws.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

BANK OF AMERICA, N.A.

By: /s/ John Falke
Name: John Falke
Title: Senior Vice President

ASSIGNEE

BNP PARIBAS

By: /s/ Richard Pace

Name: Richard Pace

Title: Managing Director

By: /s/ Nanette Baudon

Name: Nanette Baudon

Title: Director

² Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders.

Consented to and Accepted:

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

By: /s/John Falke
Name: John Falke
Title: Senior Vice President

Consented to:

GRIFFON CORPORATION

By: /s/Thomas D. Gibbons
Name: Thomas D. Gibbons
Title: Vice President and Treasurer

Consented to:

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

By: /s/John Falke
Name: John Falke
Title: Senior Vice President

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is not a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 6.01 thereof, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender and (vi) if it is a Non-U.S. Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date. Notwithstanding the foregoing, the Administrative Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to the Assignee.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and

Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by email or telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

Amended and Restated Credit Agreement

[See attached]

THIRD AMENDED AND RESTATED CREDIT AGREEMENT

dated as of

March 22, ~~2016~~

~~among~~
2016,

as amended by the First Amendment on June 2, 2017,

as further amended by the Second Amendment on September 25, 2017,

as further amended by the Third Amendment on February 9, 2018,

as further amended by the Fourth Amendment on May 31, 2018,

as further amended by the Fifth Amendment on February 22, 2019,

among

GRIFFON CORPORATION,
as the Borrower,

The LENDERS Party Hereto,

DEUTSCHE BANK SECURITIES INC.

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Co-Syndication Agents,

BANK OF AMERICA, N.A.,
CAPITAL ONE, NATIONAL ASSOCIATION

and

CITIZENS BANK, NATIONAL ASSOCIATION,
as Co-Documentation Agents

and

~~JPMORGAN CHASE~~ BANK OF AMERICA, N.A.,
as Administrative Agent

\$350,000,000

~~JPMORGAN CHASE BANK, N.A.,~~ MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
as Sole Lead Arranger and Sole Bookrunner for the Fifth Amendment

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THIRD AMENDED AND RESTATED CREDIT AGREEMENT, dated as of March 22, 2016, ~~as amended by the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment and as further amended, restated, amended and restated, supplemented or otherwise modified from time to time (this "Agreement")~~, among GRIFFON CORPORATION, a Delaware corporation (the "~~Borrower~~"), the several banks and other financial institutions or entities from time to time parties to this Agreement (the "~~Lenders~~"), Deutsche Bank Securities Inc. and Wells Fargo Bank, National Association, as co-syndication agents (in such capacity, the "~~Co-Syndication Agents~~"), Bank of America, N.A., Capital One, National Association and Citizens Bank, National Association, as co-documentation agents (in such capacity, the "~~Co-Documentation Agents~~") and ~~JPMORGAN CHASE BANK, N.A., as administrative agent (in such capacity, the "the Administrative Agent")~~.

RECITALS

WHEREAS, the Borrower entered into the Credit Agreement, dated as of March 18, 2011 (the "Original Credit Agreement"), with the lenders parties thereto and JPMorgan Chase Bank, N.A., as administrative agent;

WHEREAS, the Borrower entered into the Amended and Restated Credit Agreement, dated as of March 28, 2013 (as amended by the First Amendment, dated as of June 11, 2013, the Second Amendment, dated as of December 10, 2013, the Third Amendment, dated as of December 23, 2013, and the Fourth Amendment, dated as of February 14, 2014, the "First Restated Credit Agreement"), with the lenders parties thereto and JPMorgan Chase Bank, N.A., as administrative agent, which amended and restated the Original Credit Agreement;

WHEREAS, the Borrower entered into the Second Amended and Restated Credit Agreement, dated as of March 13, 2015 (as amended, supplemented or otherwise modified prior to the date hereof, the "Previous Credit Agreement"), with the lenders parties thereto and JPMorgan Chase Bank, N.A., as administrative agent, which amended and restated the First Restated Credit Agreement; and

WHEREAS, the ~~parties have agreed to amend and restate~~ Borrower entered into this Agreement with the financial institutions from time to time party hereto and the Administrative Agent, which amended and restated the Previous Credit Agreement ~~(and the Schedules thereto) as provided in this Agreement (and the Schedules hereto), which Agreement (and Schedules) shall become effective upon the satisfaction of the conditions set forth in Section 5.03;~~

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto hereby agree ~~that on the Third Restatement Effective Date (as defined below) the Previous Credit Agreement (and the Schedules thereto) shall be amended and restated in its entirety as follows (and as set forth in the Schedules hereto)~~as follows:

ARTICLE I DEFINITIONS

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

"2010 Credit Agreement" has the meaning set forth in the definition of "Existing Credit Agreements."

"ABR," when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are denominated in Dollars and bearing interest at a rate determined by reference to the Alternate Base Rate.

"Acceptable Payment Percentage" has the meaning set forth in Section 2.11(a)(ii)(B).

“Adjusted Net Income” means, with respect to any Person for any period, the aggregate of the Net Income, of such Person and its Subsidiaries for such period, on a consolidated basis, and otherwise determined in accordance with GAAP; provided, however, that, without duplication,

(1) any after-tax effect of extraordinary gains or losses (less all fees and expenses relating thereto) for such period shall be excluded,

(2) the cumulative effect of a change in accounting principles during such period shall be excluded,

(3) any after-tax effect of income (loss) attributable to discontinued operations for such period shall be excluded; provided that once an operation becomes a discontinued operation it will remain so for all purposes hereunder,

(4) any after-tax effect of gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions other than in the ordinary course of business, as determined in good faith by the Borrower, shall be excluded,

(5) the Net Income (but not loss) for such period of any Person that is not a Subsidiary, or is an “unrestricted subsidiary” (as such term is defined in the Senior Notes Indenture), or that is accounted for by the equity method of accounting, shall be excluded; provided that Adjusted Net Income of the Borrower shall be increased by the amount of dividends or distributions or other payments that are actually paid in cash (or to the extent converted into cash) to the referent Person or a Subsidiary thereof in respect of such period by such Person and shall be decreased by the amount of any actual net losses that have been funded with cash from the Borrower or a Subsidiary during such period,

(6) the Net Income (but not loss) for such period of any Subsidiary (other than any Subsidiary Guarantor) shall be excluded if the declaration or payment of dividends or similar distributions by that Subsidiary of its Net Income is not at the date of determination permitted, directly or indirectly, by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule, or governmental regulation applicable to that Subsidiary or its stockholders, unless such restriction with respect to the payment of dividends or similar distributions has been legally waived; provided that Adjusted Net Income of the Borrower will be increased by the amount of dividends or other distributions or other payments actually paid in cash (or to the extent converted into cash) to the Borrower or a Subsidiary thereof in respect of such period, to the extent not already included therein,

(7) effects of adjustments (including the effects of such adjustments pushed down to the Borrower and its Subsidiaries) for such period in the property and equipment, software and other intangible assets, deferred revenue and debt line items in such Person’s consolidated financial statements pursuant to GAAP resulting from the application of purchase accounting in relation to any consummated acquisition or the amortization or write-off of any amounts thereof, net of taxes, shall be excluded,

(8) any impairment charge or asset write-off for such period (other than in respect of current assets, except with respect to inventory adjustments for any fiscal quarter ended on or prior to March 31, 2011 related to the acquisition of CHATT Holdings Inc. and similar inventory adjustments in respect of acquisitions permitted under this Agreement, the First Restated Credit Agreement or the Previous Credit Agreement that are consummated after the Effective Date), in each case, pursuant to GAAP and the amortization of intangibles for such period arising pursuant to GAAP shall be excluded,

(9) any non-cash gains and losses for such period due solely to fluctuations in currency values in accordance with GAAP shall be excluded,

(10) (a) the amount of any write-off of deferred financing costs or of indebtedness issuance costs and the amount of charges related to any premium paid in connection with repurchasing or refinancing indebtedness, in each case for such period, shall be excluded and (b) all non-recurring expenses and charges relating to such repurchase or refinancing of indebtedness or relating to any incurrence of indebtedness for such period, in each case, whether or not such transaction is consummated, shall be excluded, and

(11) any non-cash compensation charge or expense for such period, including such charge or expense arising from grants of stock options or restricted stock or other equity incentive programs for the benefit of officers, directors and employees of the Borrower or any Subsidiary of the Borrower shall be excluded.

~~“Administrative Agent” has the meaning set forth in the preamble hereto. It is understood that, without limiting the other provisions of this Agreement, the Administrative Agent may utilize the services of its Affiliates (including J.P. Morgan Europe Limited) in connection with administrative matters related to Foreign Currencies.~~ means (i) prior to the Fifth Amendment Effective Date, JPMCB, in its capacity as administrative agent for itself and the other Secured Parties, and (ii) on and after the Fifth Amendment Effective Date, Bank of America, in its capacity as administrative agent for itself and the other Secured Parties, and any duly appointed successor administrative agent.

“Administrative Agent’s Account” means, for each Currency, an account in respect of such Currency designated by the Administrative Agent in a notice to the Borrower and the Lenders.

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

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

“Agency Resignation, Appointment and Assumption Agreement” means the Agency, Resignation, Appointment and Assumption Agreement, dated as of February 22, 2019, by and among the Borrower, Bank of America, N.A., as successor Administrative Agent, and JPMorgan Chase Bank, N.A., as resigning Administrative Agent.

“Aggregate Available Commitments” means, at any time, the aggregate amount of Available Commitments of all the Lenders at such time.

“Aggregate Commitment” means, at any time, the aggregate amount of the Commitments of all the Lenders at such time, as such amount is subject to reduction or increase in accordance with the terms hereof. The initial amount of the Aggregate Commitment is \$350,000,000.

“Aggregate Foreign Currency Sublimit Dollar Amount” means \$100,000,000.

“Aggregate LC Exposure” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time.

“Aggregate Letter of Credit Sublimit Amount” means \$50,000,000.

“Aggregate Revolving Credit Exposure” means, at any time, the sum of (a) the aggregate outstanding principal amount of the Loans of all the Lenders at such time, plus (b) the Aggregate LC Exposure at such time.

“Agreed Foreign Currency” means, at any time, any of English Pounds Sterling, euro and, with the agreement of each Lender, any other Foreign Currency, so long as, in respect of any such specified Currency or other Foreign Currency, at such time (a) such Currency is dealt with in the London interbank deposit market, (b) such Currency is freely transferable and convertible into Dollars in the London foreign exchange market and (c) no central bank or other governmental authorization in the country of issue of such Currency (including, in the case of the euro, any authorization by the European Central Bank) is required to permit use of such Currency by any Lender for making any Loan hereunder and/or to permit the Borrower to borrow and repay the principal thereof and to pay the interest thereon, unless such authorization has been obtained and is in full force and effect.

“Agreement” ~~means this Third Amended and Restated Credit Agreement~~ has the meaning set forth in the preamble hereto.

“Alternate Base Rate” means, for any day, a rate per annum equal to the greatest of (a) the ~~Prime Rate~~ rate of interest in effect ~~on~~ for such day ~~and~~ as publicly announced from time to time by Bank of America as its “prime rate”, (b) the Federal Funds ~~Effective~~ Rate in effect on such day plus 0.50% and (c) the Eurocurrency Rate that would be calculated as of such day (or, if such day is not a Business Day, as of the next preceding Business Day) in respect of a proposed Eurocurrency Loan with a one-month Interest Period plus 1.00%. ~~Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Eurocurrency Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Eurocurrency Rate, respectively.~~ 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 such 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 Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.14 hereof, then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above.

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

“Applicable Law” means, as to any Person, all applicable Laws binding upon such Person or to which such a Person is subject.

“Applicable Payment Percentage” has the meaning set forth in Section 2.11(a)(ii)(B).

“Applicable Percentage” means, with respect to any Lender, the percentage of the Aggregate Commitment represented by such Lender’s Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments. Notwithstanding the foregoing, when a Defaulting Lender shall exist (i) in the case of Section 2.20 (other than the last paragraph thereof), Applicable Percentages shall be determined without regard to any Defaulting Lender’s Commitment and (ii) in the case of the defined term “LC Exposure” (other than as used in Section 2.20 or in the determination of “Revolving Credit Exposure” for purposes of Section 2.20, in each case, except as expressly set forth in Section 2.20) and Section 2.04, Applicable Percentages shall be adjusted to give effect to any reallocation effected pursuant to Section 2.20(c).

“Applicable Rate” means, for any day, with respect to any ABR Loan or Eurocurrency Loan, or with respect to the commitment fees payable hereunder, as the case may be, the applicable rate per annum set forth below under the caption “ABR Spread,” “Eurocurrency Spread” or “Commitment Fee Rate,” respectively, based upon the Leverage Ratio as of the most recent determination date:

<u>Consolidated Leverage Ratio:</u>	<u>ABR Spread</u>	<u>Eurocurrency Spread</u>	<u>Commitment Fee Rate</u>
<u>Category 1</u> Greater than or equal to 5.75:1.00	1.75%	2.75%	0.45%
<u>Category 2</u> Greater than or equal to 5.00:1.00 but less than 5.75:1.00	1.50%	2.50%	0.40%
<u>Category 3</u> Greater than or equal to 4.50:1.00 but less than 5.00:1.00	1.25%	2.25%	0.35%
<u>Category 4</u> Greater than or equal to 3.50:1.00 but less than 4.50:1.00	1.00%	2.00%	0.30%
<u>Category 5</u> Greater than or equal to 2.50:1.00 but less than 3.50:1.00	0.75%	1.75%	0.25%
<u>Category 6</u> Greater than or equal to 1.50:1.00 but less than 2.50:1.00	0.50%	1.50%	0.20%
<u>Category 7</u> Less than 1.50:1.00	0.25%	1.25%	0.15%

For purposes of the foregoing, (i) the Consolidated Leverage Ratio shall be determined as of the end of each fiscal quarter of each fiscal year of the Borrower based upon the Borrower’s consolidated financial statements delivered pursuant to Section 6.01(a) or (b), as applicable, (ii) until the delivery of the financial statements for the fiscal quarter ending June 30, 2020 pursuant to Section 6.01 (b), the ABR Spread shall be 1.75%, the Eurocurrency Spread shall be 2.75% and the Commitment Fee Rate shall be 0.45%, and (iii) each change in the Applicable Rate resulting from a change in the Consolidated Leverage Ratio shall be effective during the period commencing on and including the date three Business Days after delivery to the Administrative Agent of such consolidated financial statements indicating such change and ending on the date immediately preceding the effective date of the next such change; provided that the Consolidated Leverage Ratio shall be deemed to be in Category 1 (A) at any time that an Event of Default has occurred and is continuing or (B) if the Borrower fails to deliver the consolidated financial statements required to be delivered by it pursuant to Section 6.01(a) or (b), during the period from the expiration of the time for delivery thereof until such consolidated financial statements are delivered.

“Approved Fund” means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Arranger” ~~means JPMCB, in its capacity as the Sole Lead Arranger and Sole Bookrunner in respect of the arrangement of the Commitments.~~ means the Fifth Amendment Arranger

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 10.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

“Assuming Lender” has the meaning set forth in Section 2.09(c).

“Auction Prepayment” has the meaning set forth in Section 2.11(a)(ii).

“Auction Prepayment Amount” has the meaning set forth in Section 2.11(a)(ii)(A).

“Auction Prepayment Notice” has the meaning set forth in Section 2.11(a)(ii)(A).

“Auction Prepayment Transactions” has the meaning set forth in Section 2.11(a)(ii).

“Availability Period” means the period from and including the Third Restatement Effective Date to but excluding the earlier of the Commitment Termination Date and the date of termination of the Commitments.

“Available Commitment” means, as to any Lender at any time, an amount equal to the excess, if any, of (a) such Lender’s Commitment then in effect over (b) such Lender’s Revolving Credit Exposure then outstanding.

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

“Bail-In Legislation” means, 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 for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“Bank of America” means [Bank of America, N.A. and its successors](#).

“Bankruptcy Code” means Title 11 of the United States Code entitled “Bankruptcy,” as amended from time to time, or any successor statute.

“Bankruptcy Event” means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding that has not been dismissed by a court of competent jurisdiction, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“Beneficial Ownership Certification” means [a certification regarding beneficial ownership required by the Beneficial Ownership Regulation](#).

“Beneficial Ownership Regulation” means [31 C.F.R. § 1010.230](#).

“Benefit Plan” means [any of \(a\) an “employee benefit plan” \(as defined in ERISA\) that is subject to Title I of ERISA, \(b\) a “plan” as defined in and subject to Section 4975 of the Code or \(c\) any Person whose assets include \(for purposes of ERISA Section 3\(42\) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code\) the assets of any such “employee benefit plan” or “plan.”](#)

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Borrower” has the meaning set forth in the preamble hereto.

“Borrower Equity Plan” has the meaning set forth in Section 7.07(e).

“Borrower Materials” has the meaning set forth in Section 6.01.

“Borrowing” means (a) all ABR Loans made, converted or continued on the same date or (b) all Eurocurrency Loans denominated in the same Currency that have the same Interest Period.

“Borrowing Request” means ~~a request by the Borrower for a Borrowing in accordance with Section 2.03;~~ a notice of a Borrowing, which shall be substantially in the form of Exhibit F 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.

“Business Day” means any day (a) that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed, (b) if such day relates to a borrowing of, a payment or prepayment of principal of or interest on, a continuation or conversion of or into, or the Interest Period for, a Eurocurrency Borrowing, or to a notice by the Borrower with respect to any such borrowing, payment, prepayment, continuation, conversion, or Interest Period, that is also a day on which dealings in deposits denominated in the Currency of such Borrowing are carried out in the London interbank market, (c) if such day relates to a borrowing or continuation of, a payment or prepayment of principal of or interest on, or the Interest Period for, any Borrowing denominated in any Foreign Currency (other than euro), or to a notice by the Borrower with respect to any such borrowing, continuation, payment, prepayment or Interest Period, that is also a day on which commercial banks and the London foreign exchange market settle payments in the Principal Financial Center for such Foreign Currency and (d) if such day relates to a borrowing or continuation of, a payment or prepayment of principal of or interest on, or the Interest Period for, any Borrowing denominated in euro (or any notice with respect thereto), that is also a TARGET Day.

“Capital Expenditures” means, for any period, expenditures (including the aggregate amount of Capital Lease Obligations incurred during such period) made by the Borrower or any of its Subsidiaries to acquire or construct fixed assets, plant and equipment (including renewals, improvements and replacements, but excluding repairs) during such period computed in accordance with GAAP.

“Capital Lease Obligations” of any Person means 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.

“Capital Stock” means (a) in the case of a corporation, capital stock, (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock, (c) in the case of a limited liability company, membership units (whether common or preferred), (d) in the case of a partnership, partnership interests (whether general or limited) and (e) any other equivalent ownership interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

“Cash Collateralize” means to deposit in a Collateral Account or pledge and deposit with or deliver to the Administrative Agent, for the benefit of one or more of the Issuing Lenders and the Lenders, as collateral for LC Obligations or obligations of Lenders to fund participations in respect of LC Obligations, cash or deposit account balances or, if the Administrative Agent or the Issuing Lenders shall agree in their sole discretion, other credit

support, in each case pursuant to documentation in form and substance reasonably satisfactory to (a) the Administrative Agent and (b) the Issuing Lenders. "Cash Collateral" shall have a meaning correlative to the foregoing and shall include the proceeds of such Cash Collateral and other credit support.

"Change of Control" means (a) during any period of 12 consecutive calendar months, the ceasing of those individuals (the "Continuing Directors") who (i) were directors of the Borrower on the first day of each such period, or (ii) subsequently became directors of the Borrower and whose initial election or initial nomination for election subsequent to that date was approved by a majority of the Continuing Directors then on the board of directors of the Borrower, to constitute a majority of the board of directors of the Borrower, or (b) after the Effective Date, any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) shall become, or obtain rights (whether by means or warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act), directly or indirectly, of more than 35% of the outstanding common stock of the Borrower.

"Change in Law" means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender or any Issuing Lender (or, for purposes of Section 2.15(b), by any ~~lending office~~ Lending Office of such Lender or by such Lender's or such Issuing Lender's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement. ~~"ClosetMaid Acquisition" means the acquisition of the Shares and the Purchased Assets under and as defined in the Asset and Stock Purchase Agreement, dated as of September 1, 2017 between Emerson Electric Co. and ClosetMaid Acquisition Corp.~~

"Co-Documentation Agents" has the meaning set forth in the preamble hereto.

"Co-Syndication Agents" has the meaning set forth in the preamble hereto.

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

"Collateral" means all property of the Loan Parties, now owned or hereafter acquired, upon which a Lien is purported to be created by any Security Document.

"Collateral Account" has the meaning assigned to such term in the Guarantee and Collateral Agreement.

"Commitment" means, with respect to each Lender at any time, the commitment of such Lender to make Loans and to participate in Letters of Credit, expressed as an amount representing the maximum aggregate amount of such Lender's Revolving Credit Exposure hereunder, as such commitment may be (a) reduced or increased from time to time pursuant to Section 2.09 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 10.04. The initial amount of each Lender's Commitment is set forth on Schedule 1.01, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable.

"Commitment Increase" has the meaning set forth in Section 2.09(c).

"Commitment Increase Date" has the meaning set forth in Section 2.09(c).

"Commitment Termination Date" means March 22, 2021 (or if such date is not a Business Day, the immediately preceding Business Day).

"Consolidated Depreciation and Amortization Expense" means with respect to any Person for any period, the total amount of depreciation and amortization expense, including the amortization of goodwill and other

intangibles, deferred financing fees of such Person and its Subsidiaries, for such period on a consolidated basis and otherwise determined in accordance with GAAP.

“Consolidated EBITDA” means, with respect to any Person for any period, the Adjusted Net Income of such Person for such period

- (1) increased (without duplication) by, to the extent deducted (and not added back) in computing Adjusted Net Income:
 - (a) provision for taxes based on income or profits or capital gains, including, without limitation, state, franchise and similar taxes and foreign with-holding taxes of such Person paid or accrued during such period; plus
 - (b) Fixed Charges of such Person for such period; plus
 - (c) Consolidated Depreciation and Amortization Expense of such Person for such period; plus
 - (d) fees, expenses or charges for such period relating to any offering of Capital Stock or Indebtedness of the Borrower or any Subsidiary permitted under this Agreement or the consummation of any Permitted Acquisition; plus
 - (e) fees, expenses or charges for such period related to the consummation of this Agreement (if incurred prior to the date that is 120 days after the Third Restatement Effective Date); plus
 - (f) the amount of any restructuring charge incurred for such period in connection with the closing and restructuring of idle facilities and non-recurring restructuring charges incurred in connection with the consolidation of facilities; provided that the aggregate amount of such charges referred to in this clause (f) for all periods ending after the Third Restatement Effective Date shall not exceed \$25,000,000; plus
 - (g) any severance or similar one-time compensation charges for such period, in an aggregate amount not to exceed \$10,000,000 in any four fiscal quarter period; plus
 - (h) expenses related to the acquisition of substantially all of the assets of West Barrows mix Pty Ltd. for such period, in an aggregate amount not to exceed \$2,000,000 over the term of this Agreement; plus
 - (i) transaction costs, fees and expenses relating to the acquisition of CHATT Holdings Inc., if incurred prior to December 31, 2011, plus
 - (j) any other non-cash charges for such period (provided that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period shall be subtracted from Consolidated EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period, and it being understood that any write down or write off of current assets is not a non-cash charge); plus
 - (k) any costs or expense incurred by the Borrower or a Subsidiary for such period pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement, to the extent such cost or expenses are funded with cash proceeds contributed to the capital of the

Borrower or net cash proceeds of a substantially concurrent issuance of Capital Stock of the Borrower (other than Disqualified Stock); plus

(1) any non-cash compensation expense recorded for such period from grants of stock appreciation or similar rights, stock options, restricted stock or other rights;

(2) decreased by (without duplication) non-cash gains increasing Adjusted Net Income of such Person for such period, excluding any non-cash gains to the extent they represent the reversal of an accrual or reserve for a potential cash item that reduced Consolidated EBITDA in any prior period, and

(3) increased or decreased by (without duplication):

(a) any net gain or loss resulting in such period from Obligations in respect of Swap Agreements and the application of Statement of Financial Accounting Standards No. 133; plus or minus, as applicable,

(b) any net gain or loss resulting in such period from currency translation gains or losses related to currency remeasurements of Indebtedness (including any net loss or gain resulting from Obligations in respect of Swap Agreements for currency ex-change risk); plus or minus, as applicable,

(c) any net after tax income (loss) for such period from the early extinguishment of Indebtedness or Obligations in respect of Swap Agreements or other derivative,

all as determined on a consolidated basis for such Person and its Subsidiaries in accordance with GAAP. For the purposes of calculating Consolidated EBITDA for any period of four consecutive fiscal quarters (each, a "Reference Period") pursuant to any determination of the Consolidated Leverage Ratio or the Consolidated Senior Secured Leverage Ratio, (i) if at any time during such Reference Period the Borrower or any Subsidiary shall have made any Material Disposition, the Consolidated EBITDA for such Reference Period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the property that is the subject of such Material Disposition for such Reference Period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such Reference Period and (ii) if during such Reference Period the Borrower or any Subsidiary shall have made a Material Acquisition, Consolidated EBITDA for such Reference Period shall be calculated after giving pro forma effect thereto as if such Material Acquisition occurred on the first day of such Reference Period. As used in this definition, "Material Acquisition" means any acquisition of property or series of related acquisitions of property that (a) constitutes assets comprising all or substantially all of an operating unit of a business or constitutes all or substantially all of the common stock of a Person and (b) involves the payment of consideration by the Borrower and its Subsidiaries in excess of \$20,000,000; and "Material Disposition" means any Disposition of property or series of related Dispositions of property that yields gross proceeds to the Borrower or any of its Subsidiaries in excess of \$10,000,000.

"Consolidated Funded Debt" means, at any date, the aggregate principal amount of all Indebtedness for borrowed money (after eliminating intercompany Indebtedness between Group Members permitted by this Agreement) of the Borrower and its Subsidiaries at such date, determined on a consolidated basis in accordance with GAAP; provided that, for purposes of calculating the Consolidated Leverage Ratio, Consolidated Funded Debt shall be calculated net of unrestricted cash and cash equivalents of the Loan Parties as of such day.

"Consolidated Interest Coverage Ratio" means, for any period, the ratio of (a) Consolidated EBITDA for such period to (b) Consolidated Interest Expense for such period.

“Consolidated Interest Expense” means, with respect to any Person for any period, without duplication, the sum of:

(a) consolidated interest expense (after eliminating intercompany Indebtedness between Group Members permitted by this Agreement) of such Person and its Subsidiaries for such period, to the extent such expense was deducted (and not added back) in computing Adjusted Net Income including (i) amortization of original issue discount resulting from the issuance of Indebtedness at less than par, (ii) all commissions, discounts and other fees and charges owed with respect to letters of credit or bankers acceptances, (iii) non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of obligations in respect of Swap Agreements or other derivative instruments pursuant to GAAP), (iv) the interest component of ~~Capitalized~~Capital Lease Obligations, (v) commitment fees in respect of the Loans or any other revolving credit facilities and (vi) net payments, if any, pursuant to interest rate obligations in respect of Swap Agreements with respect to Indebtedness, and excluding (x) amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses and (y) any expensing of one-time bridge and other financing fees; plus

(b) consolidated capitalized interest of such Person and its ~~Restricted~~ Subsidiaries for such period, whether paid or accrued.

“Consolidated Leverage Ratio” means, as at the last day of any period, the ratio of (a) Consolidated Funded Debt on such day to (b) Consolidated EBITDA for such period.

“Consolidated Senior Secured Funded Debt” means, at any date, Consolidated Funded Debt as of such date that is (a) secured by a Lien on any assets of the Borrower and its Subsidiaries and (b) not subordinated to the Obligations.

“Consolidated Senior Secured Leverage Ratio” means, as at the last day of any period, the ratio of (a) Consolidated Senior Secured Funded Debt on such day to (b) Consolidated EBITDA for such period.

“Contractual Obligation” means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“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.

“Credit Party” means the Administrative Agent, any Issuing Lender or any other Lender.

“Currency” means Dollars or any Foreign Currency.

“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.](#)

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Defaulting Lender” means any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit

or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's reasonable good-faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans and participations in then outstanding Letters of Credit under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent, (d) has become the subject of a Bankruptcy Event or (e) has become the subject of a Bail-In Action. For the avoidance of doubt, it is hereby understood and agreed by all parties to this Agreement that the Defaulting Lender provisions in this Agreement shall not apply to any Person in its capacity as a Hedge Bank (as defined in the Guarantee and Collateral Agreement) or affect its status or rights as a Secured Party in respect of any Specified Swap Agreement.

"Delaware LLC" means any limited liability company organized or formed under the laws of the State of Delaware.

"Delaware Divided LLC" means any Delaware LLC which has been formed upon consummation of a Delaware LLC Division.

"Delaware LLC Division" means the statutory division of any Delaware LLC into two or more Delaware LLCs pursuant to Section 18-217 of the Delaware Limited Liability Company Act.

"Disqualified Stock" means, with respect to any Person, any Capital Stock of such Person which, by its terms (or by the terms of any security into which it is convertible or for which it is puttable or exchangeable, except to the extent such capital stock is exchanged into Indebtedness at the option of the issuer thereof and only subject to the terms of any debt instrument to which such Person is a party), or upon the happening of any event, matures or is mandatorily redeemable (other than solely as a result of a change of control or asset sale) pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than solely as a result of a change of control or asset sale), in whole or in part, in each case prior to the date 91 days after the earlier of the Final Commitment Termination Date or the date the Loans are no longer outstanding and all Commitments hereunder have been terminated; provided, however, that if such Capital Stock is issued to any plan for the benefit of employees of the Borrower or its Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Borrower or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations.

"Dollar Equivalent" means, with respect to any Borrowing or any Letter of Credit issuance, in each case, denominated in any Foreign Currency, the amount of Dollars that would be required to purchase the amount of the Foreign Currency of such Borrowing on the date ~~two Business Days prior to the date~~ of such Borrowing or such issuance (or, in the case of any determination made under Section 2.11(b) or redenomination under the last sentence of Section 2.18(a), on the date of determination or redenomination therein referred to), based upon the ~~spot selling rate at which the Administrative Agent offers to sell such Foreign Currency for Dollars in the London foreign exchange market at approximately 11:00 a.m., London time, for delivery two Business Days later~~ Spot Rate.

"Dollars" or "\$" refers to lawful money of the United States of America.

“Domestic Subsidiary” means any Subsidiary of the Borrower organized under the laws of any jurisdiction within the United States of America.

“EEA Financial Institution” means (a) any institution 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 institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent;

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Date” means the date on which the conditions specified in Section 5.01 are satisfied (or waived in accordance with Section 10.02).

“English Pounds Sterling” means the lawful currency of the United Kingdom.

“Environmental Laws” means all laws (including common law), statutes, treaties, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any harmful or deleterious substances or to health and safety matters.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of any Group Member directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

“ERISA Affiliate” means (a) any entity, whether or not incorporated, that is under common control with a Group Member within the meaning of Section 4001 (a)(14) of ERISA; (b) any corporation which is a member of a controlled group of corporations within the meaning of Section 414(b) of the Code of which a Group Member is a member; (c) any trade or business (whether or not incorporated) which is a member of a group of trades or businesses under common control within the meaning of Section 414(c) of the Code of which a Group Member is a member; and (d) with respect to any Group Member, any member of an affiliated service group within the meaning of Section 414(m) or (o) of the Code of which that Group Member, any corporation described in clause (b) above or any trade or business described in clause (c) above is a member.

“ERISA Event” means (a) the existence with respect to any Plan of any non-exempt Prohibited Transaction; (b) any Reportable Event; (c) any failure by any Plan to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA), whether or not waived; (d) the failure of any Group Member or any ERISA Affiliate to make by its due date a required installment under Section 430(j) of the Code with respect

to any Plan, any required contribution to a Multiemployer Plan, or (after the expiration of any applicable grace period) any installment payment with respect to Withdrawal Liability under Section 4201 of ERISA; (e) a determination that any Plan is, or is expected to be, in “at risk” status (within the meaning of Section 430 of the Code or Section 303 of ERISA); (f) the receipt by any Group Member or any of its ERISA Affiliates from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan under Section 4042 of ERISA; (g) the incurrence by any Group Member or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan, including but not limited to the imposition of any Lien in favor of the PBGC or any Plan; (h) the incurrence by any Group Member or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; (i) the receipt by any Group Member or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from a Group Member or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, Insolvent, “terminated” (within the meaning of Section 4041(A) of ERISA), or in “endangered” or “critical” status (within the meaning of Section 432 of the Code or Section 305 of ERISA); or (j) a Foreign Plan Event.

“ESOP” means the Griffon Employee Stock Ownership Plan.

“ESOP Loan” means an extension of credit to the ESOP made or guaranteed by the Borrower or any ERISA Affiliate pursuant to the terms of the ESOP.

“ESOP Purchases” means tax-deductible contributions by the Borrower or any ERISA Affiliate to the ESOP for the purpose of repaying any ESOP Loan or any annual installment thereof, pursuant to the terms of the ESOP.

“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.

~~“EURIBOR Screen Rate” has the meaning set forth in the definition of “Eurocurrency Base Rate.”~~

“euro” means the single currency of Participating Member States of the European Union, which shall be an Agreed Foreign Currency and a Foreign Currency under this Agreement.

“Eurocurrency,” when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Eurocurrency Rate.

~~“Eurocurrency Base Rate” means, (a) with respect to any Eurocurrency Borrowing denominated in any Currency other than euro for any Interest Period, a rate per annum equal to the London interbank offered rate as administered by the ICE Benchmark Administration Limited (or any other Person that takes over the administration of such rate) for such Currency for a period in length equal to such Interest Period as displayed on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on either of such Reuters pages, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion; in each case, the “LIBOR Screen Rate”) as of the Specified Time on the Quotation Day and (b) with respect to any Eurocurrency Borrowing denominated in euro for any Interest Period, a rate per annum equal to the euro interbank offered rate as administered by the Banking Federation of the European Union (or any other Person that takes over the administration of such rate) for a period in length equal to such Interest Period as displayed on page EURIBOR01 of the Reuters screen that displays such rate (or, in the event such rate does not appear on such Reuters page, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion, in each case, the “EURIBOR Screen Rate”) as of the Specified~~

~~Time on the Quotation Day; provided that if the Screen Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement; provided, further, that if the Screen Rate shall not be available at such time for such Interest Period (an “Impacted Interest Period”) with respect to such Currency (the “Impacted Currency”), then the Eurocurrency Base Rate shall be the Interpolated Rate at such time (provided that if the Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement).~~

“Eurocurrency Rate” means, ~~for the Interest Period for any Eurocurrency Borrowing, an interest~~ (a) with respect to any Eurocurrency Borrowing, (i) ~~denominated in a LIBOR Quoted Currency, the rate per annum equal to (a) the Eurocurrency Base Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate for such Interest Period; the London Interbank Offered Rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate for such LIBOR Quoted Currency for a period equal in length to such Interest Period) (“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) as of the Specified Time on the Quotation Day, for deposits in the relevant currency, (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, (ii) denominated in any Non-LIBOR Quoted Currency, the rate per annum as designated with respect to such Foreign Currency at the time such Foreign Currency is approved by the Administrative Agent and the Lenders pursuant to Section 1.06(a) and (b) for any rate calculation with respect to an ABR Loan on any date, the rate per annum equal to LIBOR as of the Specified Time on the Quotation Date for Dollar deposits with a term of one month commencing that day; provided that if the Eurocurrency Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.~~

“Event of Default” has the meaning set forth in Article VIII.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Excluded Foreign Subsidiary” means any Foreign Subsidiary of the Borrower or any Subsidiary in respect of which either (a) the pledge of more than 65% of the Capital Stock of such Subsidiary as Collateral or (b) the guaranteeing by such Subsidiary of the Obligations, would, in the good faith judgment of the Borrower, result in adverse tax consequences to the Borrower.

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender, any Issuing Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income, net profits, net gains, revenue, or any similar tax imposed in lieu of net income taxes, or any branch profits taxes or similar taxes, in each case imposed as a result of a present or former connection between the recipient and the taxing jurisdiction or any political subdivision thereof (other than a connection arising solely from such recipient entering into, delivering, performing its obligations under, enforcing, or receiving payments under, this Agreement or any other Loan Document), (b) any taxes imposed pursuant to FATCA and (c) in the case of any person (other than an assignee pursuant to a request by the Borrower under Section 2.19(b)), any United States withholding tax or a withholding tax imposed by a jurisdiction referred to in clause (a) that is imposed on amounts payable to such Lender at the time such Lender becomes a party to this Agreement (or designates a new ~~lending-office~~ Lending Office) or is attributable to such Lender’s failure to comply with Section 2.17(f) or (g), except to the extent that such Lender (or its assignor, if any) was entitled, at the time of designation of a new ~~lending-office~~ Lending Office or assignment, to receive additional amounts pursuant to Section 2.17(a) (which, for the avoidance of doubt, shall be applied on a Lender-by-Lender basis).

“Existing Credit Agreements” means (i) the Credit Agreement, dated as of March 31, 2008, among Gritel Holding Co., Inc., as holdings, Telephonics Corporation, as borrower, the lenders party thereto from time to time, and JPMCB, as administrative agent, (ii) the Credit Agreement, dated as of September 30, 2010 (the “2010 Credit Agreement”), among Clopay Ames True Temper LLC, as holdings, Clopay Ames True Temper Holding Corp., as borrower, certain subsidiaries of Clopay Ames True Temper Holding Corp., as guarantors, the lenders party thereto

from time to time, and JPMCB, as administrative agent and (iii) the Credit Agreement, dated as of September 30, 2010, among Clopay Ames True Temper LLC, as holdings, Clopay Ames True Temper Holding Corp., as borrower, certain subsidiaries of Clopay Ames True Temper Holding Corp., as guarantors, the lenders party thereto from time to time, and Goldman Sachs Lending Partners LLC, as administrative agent.

“Existing Letters of Credit” has the meaning set forth in Section 2.04(a).

“Existing Lenders” means the “Lenders” (as defined in the Previous Credit Agreement) immediately prior to giving effect to the Third Restatement Effective Date.

“Existing Loans” means the “Loans” (as defined in the Previous Credit Agreement) outstanding immediately prior to giving effect to the Third Restatement Effective Date.

“Existing Mortgages” means those mortgages, deeds of trust or other agreements delivered in connection with the 2010 Credit Agreement.

“Extended Commitment” has the meaning set forth in Section 2.21(a).

“Extended Loans” has the meaning set forth in Section 2.21(a).

“Extension” has the meaning set forth in Section 2.21(a).

“Extension Offer” has the meaning set forth in Section 2.21(a).

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (and any amended or successor version that is substantively comparable, but only if the requirements in such amended or successor version for avoiding the withholding are not materially more onerous than the requirements in the current version), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the Code, and any law, regulation, rule or practice implementing an intergovernmental agreement entered into in connection with the implementation of any such section of the Code.

“Federal Funds Effective Rate” means, for any day, the rate per annum equal to the weighted average ~~(rounded upwards, if necessary, to the next 1/100 of 1%)~~ of the rates on overnight Federal funds transactions with members of the Federal Reserve System ~~arranged by Federal funds brokers,~~ as published ~~on the next succeeding Business Day~~ by the Federal Reserve Bank of New York, ~~or, if such rate is not so published for any day that is a Business Day, 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 ~~upwards~~ upward, if necessary, to ~~the next a whole multiple of 1/100 of 1%~~ of the quotations for charged to Bank of America on such day ~~for on~~ such transactions ~~received~~ as reasonably determined by the Administrative Agent ~~from three Federal funds brokers of recognized standing selected by it;~~ provided that if the Federal Funds ~~Effective~~ Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“FIN 48” has the meaning set forth in Section 4.09.

“Final Commitment Termination Date” means, as at any date, the latest to occur of (a) the Commitment Termination Date and (b) the termination date in respect of any outstanding Extended Commitments.

“Financial Officer” means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

“Fifth Amendment” means the Fifth Amendment to Third Amended and Restated Credit Agreement, dated as of February 22, 2019, among the Borrower, the Lenders party thereto and the Administrative Agent.

“Fifth Amendment Arranger” means Merrill Lynch, Pierce, Fenner & Smith, Incorporated (or any other registered broker-dealer wholly-owned by Bank of America Corporation to which all or substantially all of Bank of America Corporation’s or any of its subsidiaries’ investment banking, commercial lending services or related businesses may be transferred following the date of this Agreement), in its capacity as the Sole Lead Arranger and Sole Bookrunner in respect of the arrangement of the Fifth Amendment.

“Fifth Amendment Effective Date” has the meaning assigned to such term in the Fifth Amendment.

“First Amendment” means the First Amendment to Third Amended and Restated Credit Agreement, dated as of June 2, 2017, among the Borrower, the Lenders party thereto and the Administrative Agent.

~~“First Amendment Effective Date” has the meaning assigned to such term in the First Amendment.~~

“First Restated Credit Agreement” has the meaning set forth in the recitals hereto.

“First Restatement Effective Date” means the date on which the conditions specified in Sections 5.02 and 5.03 of the First Restated Credit Agreement were satisfied (or waived in accordance with Section 10.02 of the First Restated Credit Agreement).

“Fixed Charges” means, with respect to any Person for any period, the sum, without duplication, of:

- (1) Consolidated Interest Expense of such Person for such period; and
- (2) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of preferred stock of such Person during such period.

“Foreign Currency” means at any time any Currency other than Dollars.

“Foreign Currency Equivalent” means, with respect to any amount in Dollars, the amount of any Foreign Currency that could be purchased with such amount of Dollars using the reciprocal of the foreign exchange rate(s) specified in the definition of the term “Dollar Equivalent,” as determined by the Administrative Agent.

“Foreign Plan” means each employee pension benefit plan (within the meaning of Section 3(2) of ERISA, whether or not subject to ERISA) that would, if such plan were subject to US law, be subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, but that is not subject to US law and is maintained or contributed to by any Group Member or any ERISA Affiliate.

“Foreign Plan Event” means, with respect to any Foreign Plan, (a) the failure to make or, if applicable accrue in accordance with normal accounting practices, any employer or employee contributions required by ~~applicable law~~Applicable Law or by the terms of such Foreign Plan; (b) the failure to register or loss of good standing with applicable regulatory authorities of any Foreign Plan required to be registered; or (c) the failure of any Foreign Plan to comply with any material provisions of ~~applicable law~~Applicable Law and regulations or with the material terms of such Foreign Plan.

“Foreign Subsidiary” means any Subsidiary of the Borrower that is not a Domestic Subsidiary.

“Fourth Amendment” means the Fourth Amendment to the Third Amended and Restated Credit Agreement, dated as of May 31, 2018, among the Borrower, the Lenders party thereto and the Administrative Agent.

“Fourth Amendment Effective Date” has the meaning assigned to such term in the Fourth Amendment.

“Fronting Exposure” means, at any time there is a Defaulting Lender, with respect to any Issuing Lender, such Defaulting Lender’s Applicable Percentage of the outstanding LC Obligations other than LC 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.

“GAAP” means generally accepted accounting principles in the United States of America.

“General Disposition Basket Amount” means an amount equal to 20.0% of the consolidated assets of the Borrower and its Subsidiaries, calculated as of the end of the immediately preceding fiscal quarter (for which financial statements have been delivered prior to the first day of such quarter) of the Borrower.

“Global Intercompany Note” means a promissory note, in form and substance reasonably satisfactory to the Administrative Agent, evidencing Indebtedness owed among the Loan Parties and their Subsidiaries, as amended, restated or replaced from time to time.

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Group Members” means the collective reference to the Borrower and its Subsidiaries.

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

“Guarantee and Collateral Agreement” means the Guarantee and Collateral Agreement, dated as of March 18, 2011, made by the Loan Parties in favor of Administrative Agent, as amended and modified by the Amendment to Guarantee and Collateral Agreement, dated as of March 28, 2013, as further amended and modified by the Second Amendment to Guarantee and Collateral Agreement, dated as of June 2, 2017, and as the same shall be further amended, restated, amended and restated, modified and supplemented ~~and in effect~~ from time to time.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to, or that could rise to liability under, any Environmental Law.

“Immaterial Subsidiary” means, as of any date of determination, any Subsidiary of any Loan Party if the Net Book Value of such Subsidiary does not exceed 5% of the Net Book Value of the Group Members as a whole; provided that, as of any date of determination, the aggregate Net Book Value of all Immaterial Subsidiaries may not

exceed 15% of the Net Book Value of the Group Members as a whole (and the Borrower will designate in writing to the Administrative Agent from time to time the Subsidiaries which will cease to be treated as “Immaterial Subsidiaries” in order to comply with this definition).

~~“Impacted Currency” has the meaning set forth in the definition of “Eurocurrency Base Rate.”~~

~~“Impacted Interest Period” has the meaning set forth in the definition of “Eurocurrency Base Rate.”~~

“Increasing Lender” has the meaning set forth in Section 2.09(c).

“Incremental Asset Sales” has the meaning set forth in Section 7.04(e).

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (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 acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (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 Indebtedness secured thereby has 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 and (i) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances. 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, imposed with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document.

~~“Indemnitee” has the meaning set forth in Section 10.03(b).~~

~~“Information” has the meaning set forth in Section 10.13.~~

“Insolvent” with respect to any Multiemployer Plan, means insolvent within the meaning of Section 4245 of ERISA.

“Interest Election Request” means a ~~request by a Borrower to convert or continue a Borrowing in accordance with Section 2.06~~ notice of (a) a conversion of Loans from one Type to the other or (b) a continuation of Eurocurrency Loans, which shall be substantially in the form of Exhibit G 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.

“Interest Payment Date” means (a) with respect to any ABR Loan, each Quarterly Date and (b) with respect to any Eurocurrency Loan, the last day of each Interest Period therefor and, in the case of any Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at three-month intervals after the first day of such Interest Period; provided that the Fifth Amendment Effective Date shall constitute an Interest Payment Date with respect to accrued and unpaid interest up to, but excluding, the Fifth Amendment Effective Date for the Loans.

“Interest Period” means, for any Eurocurrency Loan or Borrowing, the period commencing on the date of such Loan or Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months (or, if available to all Lenders, twelve months) thereafter or, with respect to such portion of any Eurocurrency Loan or Borrowing denominated in a Foreign Currency that is scheduled to be repaid on the Commitment Termination Date, a period of less than one month’s duration commencing on the date of such Loan or Borrowing and ending on the Commitment Termination Date, as specified in the applicable Borrowing Request or Interest Election Request; provided that, (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, and (ii) any Interest Period (other than an Interest Period pertaining to a Eurocurrency Borrowing denominated in a Foreign Currency that ends on the Commitment Termination Date that is permitted to be of less than one month’s duration as provided in this definition) that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Loan initially shall be the date on which such Loan is made and thereafter shall be the effective date of the most recent conversion or continuation of such Loan, and the date of a Borrowing comprising Loans that have been converted or continued shall be the effective date of the most recent conversion or continuation of such Loans.

~~“Interpolated Rate” means, at any time and with respect to any Impacted Currency, the rate per annum (rounded to the same number of decimal places as the Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the applicable Screen Rate (for the longest period for which such Screen Rate is available in the Impacted Currency) that is shorter than the Impacted Interest Period and (b) the applicable Screen Rate (for the shortest period for which such Screen Rate is available for the Impacted Currency) that is longer than the Impacted Interest Period, in each case, as of the Specified Time on the Quotation Day. When determining the rate for a period which is less than the shortest period for which the applicable Screen Rate is available, such Screen Rate for purposes of clause (a) above shall be deemed to be the overnight rate for the Impacted Currency determined by the Administrative Agent from such service as the Administrative Agent may select in its reasonable discretion.~~

“Investment” means, by any Person, (a) the amount paid or committed to be paid, or the value of property or services contributed or committed to be contributed, by such person for or in connection with the acquisition by such Person of any stock, bonds, notes, debentures, partnership or other ownership interests or other securities of any other Person and (b) the amount of any advance, loan or extension of credit by such Person, to any other Person, or guaranty or other similar obligation of such Person with respect to any Indebtedness of such other Person (other than Indebtedness constituting trade payables in the ordinary course of business), and (without duplication) any amount committed to be advanced, loaned, or extended by such Person to any other Person, or any amount the payment of which is committed to be assured by a guaranty or similar obligation by such Person for the benefit of, such other Person.

“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 any Issuing Lender and the Borrower (or any Subsidiary) or in favor of such Issuing Lender and relating to such Letter of Credit.

“Issuing Lender” means ~~JPMCB, Wells Fargo Bank, National Association~~Bank of America and any other Lender selected by the Borrower and approved by the Administrative Agent in its reasonable discretion that has agreed in its sole discretion to act as an “Issuing Lender” hereunder, or any of their respective affiliates, in each case in its capacity as the issuer of any Letter of Credit hereunder, and any successors in such capacity as provided in Section 2.04(j). Each reference herein to “the Issuing Lender” shall be deemed to be a reference to the relevant Issuing Lender.

“JPMCB” means JPMorgan Chase Bank, N.A.

“Laws” means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“LC Commitment” means, as to any Issuing Lender, the amount agreed from time to time by such Issuing Lender and the Borrower (and notified to the Administrative Agent) as the maximum amount of Letters of Credit that such Issuing Lender is willing to issue at any time for the account of the Borrower hereunder, with the amount of Letters of Credit issued by any Issuing Lender at any time deemed to be equal to the amount of ~~LC~~ Obligations at such time attributable to Letters of Credit issued by such Issuing Lender. As of the ~~Third Restatement~~ Fifth Amendment Effective Date, the LC Commitment of ~~JPMCB is \$30,000,000 and the LC Commitment of Wells Fargo Bank, National Association is \$25,000,000. Bank of America is \$50,000,000.~~

“LC Disbursement” means a payment made by any Issuing Lender pursuant to a Letter of Credit.

“LC Exposure” means, with respect to each Lender at any time, such Lender’s Applicable Percentage of the Aggregate LC Exposure at such time.

“LC Obligations” means, at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired amount of the then outstanding Letters of Credit or Dollar Equivalent thereof in the case of Letters of Credit issued in any Foreign Currency and (b) the aggregate amount of LC Disbursements, or the Dollar Equivalent thereof in case of Letters of Credit issued in any Foreign Currency, that have not then been reimbursed pursuant to Section 2.04(f).

“Lenders” has the meaning set forth in the preamble hereto.

“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, which office may include any Affiliate of such Lender or any domestic or foreign branch of such Lender or such Affiliate. Unless the context otherwise requires each reference to a Lender shall include its applicable Lending Office.

“Letter of Credit” means any standby or trade letter of credit issued pursuant to this Agreement.

~~“Letter of Credit Documents” means, with respect to any Letter of Credit, collectively, any application therefor and any other agreements, instruments, guarantees or other documents (whether general in application or applicable only to such Letter of Credit) governing or providing for (a) the rights and obligations of the parties concerned or at risk with respect to such Letter of Credit or (b) any collateral security for any of such obligations, each as the same may be modified and supplemented and in effect~~ Application” means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the applicable Issuing Lender.

“LIBOR Quoted Currency” means each of the following currencies: Dollars, euro, English Pounds Sterling, Swiss Francs and Yen, in each case as long as there is a published LIBOR rate with respect thereto.

“LIBOR Screen Rate” ~~has the meaning set forth in the definition of “Eurocurrency Base Rate.”~~ means the LIBOR quote on the applicable screen page the Administrative Agent designates in its reasonable discretion to determine

LIBOR (or such other commercially available source providing such quotations as may be designated by the Administrative Agent in its reasonable discretion from time to time).

“LIBOR Successor Rate” has the meaning set forth in Section 2.14(c).

“LIBOR Successor Rate Conforming Changes” has the meaning set forth in Section 2.14(c).

“Lien” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

“Loan Documents” means, collectively, this Agreement, the ~~Letter of Credit~~ Issuer Documents ~~and~~, the Security Documents, the Agency Resignation, Appointment and Assumption Agreement, the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment and the Fifth Amendment.

“Loan Party” means the Borrower and any Subsidiary Guarantor.

“Loans” means the loans made by the Lenders to the Borrower pursuant to this Agreement.

“Local Time” means, with respect to any Loan denominated in or any payment to be made in any Currency, the local time in the Principal Financial Center for the Currency in which such Loan is denominated or such payment is to be made.

“Margin Stock” means “margin stock” within the meaning of Regulations T, U and X of the Board.

“Material Adverse Effect” means a material adverse effect on (a) the business, assets, property, operation or condition (financial or otherwise) of the Group Members, taken as a whole, (b) validity or enforceability of the material provisions of any of the Loan Documents or (c) the material rights or remedies of the Administrative Agent and the Lenders hereunder or under any of the other Loan Documents.

“Material Indebtedness” means Indebtedness (other than the Loans and Letters of Credit), or obligations in respect of one or more Swap Agreements, of any one or more Group Members in an aggregate principal amount exceeding \$40,000,000. For purposes of determining Material Indebtedness, the “principal amount” of the obligations of any Person in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that such Person would be required to pay if such Swap Agreement were terminated at such time.

“Minimum Extension Condition” has the meaning set forth in Section 2.21(b).

“Minimum Liquidity” means, as of any date of determination, the sum of (a) the aggregate unused amount of the Commitments as of such date and (b) unrestricted cash of the Loan Parties as of such date.

“Moody’s” means Moody’s Investors Service, Inc. and any successor thereto.

“Mortgaged Properties” has the meaning assigned to such term in the Original Credit Agreement. As of the Fifth Amendment Effective Date, there are no Mortgaged Properties.

“Mortgages” means any mortgage, deed of trust or other agreement which conveys or evidences a Lien in favor of the Administrative Agent, for the benefit of the Secured Parties, on owned real property of a Loan Party, in

a form substantially similar to the Existing Mortgages, including any amendment, modification or supplement thereto.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“Net Book Value” means, with respect to any Subsidiary, the net book value of the total assets of such Subsidiary determined in accordance with GAAP but excluding intangible assets and book value attributable to (i) an Investment in another Subsidiary to the extent the assets of such other Subsidiary are otherwise included in the calculation of aggregate Net Book Value, (ii) deferred taxes, (iii) deferred financing costs, (iv) intercompany Indebtedness and (vi) assets that are no longer used or useful in the business of such Subsidiary (as determined by the Borrower in good faith).

“Net Cash Proceeds” means with respect to any asset sale, lease or other disposition permitted by Section 7.04(e) (for the purposes of this definition, an “Asset Sale”), an amount equal to: (i) cash (which term, for the purposes of this definition, shall include Permitted Investments) payments (including any cash received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received) received by Borrower or any of its Subsidiaries from such Asset Sale, minus (ii) any bona fide costs, fees and expenses incurred in connection with such Asset Sale, including (a) income or gains taxes payable (or reasonably and good faith estimated to be payable) by the seller as a result of any gain recognized in connection with such Asset Sale, (b) attorneys’ fees, accounting fees, investment banking fees and consulting fees incurred in connection with such Asset Sale, (c) payment of the outstanding principal amount of, premium or penalty, if any, and interest on any Indebtedness (other than the Loans) that is secured by a Lien on the stock or assets in question and that is required to be repaid under the terms thereof as a result of such Asset Sale and (d) a reasonable escrow or reserve for any indemnification payments (fixed or contingent) attributable to seller’s indemnities and representations and warranties to purchaser in respect of such Asset Sale undertaken by Borrower or any of its Subsidiaries in connection with such Asset Sale; provided that upon release of any such reserve, the amount released shall be considered Net Cash Proceeds; and provided, further, that if (x) the Borrower shall deliver a certificate of a Financial Officer to the Administrative Agent at the time of receipt of such proceeds setting forth the Borrower’s intent to reinvest such proceeds in productive assets of a kind used or usable in the business of the Borrower and its Subsidiaries within 365 days of receipt of such proceeds, and (y) no Default or Event of Default shall have occurred and shall be continuing at the time of delivery of such certificate or at the proposed time of the application of such proceeds, such Net Cash Proceeds shall not constitute “Net Cash Proceeds” except to the extent not so used at the end of such 365 day period.

“Net Income” means, with respect to any Person, the net income (loss) of such Person, determined on a consolidated basis in accordance with GAAP.

“Non-LIBOR Quoted Currency” means any Currency other than a LIBOR Quoted Currency.

“Non-U.S. Lender” has the meaning set forth in Section 2.17(f).

“Obligations” has the meaning assigned to such term in the Guarantee and Collateral Agreement.

“OECD” means the Organization for Economic Cooperation and Development.

“Original Credit Agreement” has the meaning set forth in the recitals hereto.

“Other Taxes” means any and all present or future stamp or documentary taxes or any other similar excise or property taxes, charges or levies arising from any payment made under any Loan Document or from the

execution, delivery or enforcement of, or otherwise with respect to, any Loan Document, including any interest, additions to tax or penalties applicable thereto.

“Participant” has the meaning set forth in Section 10.04(c).

“Participant Register” has the meaning set forth in Section 10.04(c)(i).

“Participating Member State” means any member state of the European Community that adopts or has adopted the euro as its lawful currency in accordance with the legislation of the European Union relating to the European Monetary Union.

“Payment Percentage” has the meaning set forth in Section 2.11(a).

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in Section 4002 of ERISA and any successor entity performing similar functions.

“Permitted Acquisition” means the acquisition by the Borrower or any Subsidiary of any Person or of any division or line of business of any Person (whether a Person, or division or line of business, an “Eligible Business”), either by merger, consolidation, purchase of stock, or purchase of all or a substantial part of the assets of such Eligible Business (any such type of transaction is referred to in this Agreement as an “acquisition” and the principal agreement relating thereto, whether a stock purchase agreement, an asset purchase agreement, a merger agreement or otherwise, is referred to in this Agreement as the “acquisition agreement”); provided that (a) with respect to acquisitions of Foreign Subsidiaries (other than any Foreign Subsidiary organized under the laws of a country that is a member of the OECD (i) that Guarantees the Obligations in a manner reasonably satisfactory to the Administrative Agent and (ii) in respect of which at least 66% of the Capital Stock of such Foreign Subsidiary is pledged as Collateral) and/or assets located outside of the United States of America or Subsidiaries which do not become Subsidiary Guarantors, the aggregate consideration paid in connection therewith shall not exceed \$150,000,000 in any fiscal year, (b) in the case of any acquisition by any of the Borrower’s wholly-owned Subsidiaries, such Subsidiary remains a wholly-owned Subsidiary of the Borrower, (c) the Borrower or such Subsidiary, as applicable, shall have complied with all of the requirements of Section 6.11 with respect thereto, (d) after giving effect to such acquisition on a pro forma basis, the Borrower shall be in compliance, on a pro forma basis, with Section 7.11 as of the end of the most recent fiscal quarter for which financial statements have been delivered, (e) no Default shall have occurred and be continuing immediately before and after giving effect to such Permitted Acquisition or result from the consummation thereof and (f) each of the following conditions shall have been satisfied (and the Borrower shall have delivered to the Administrative Agent a certificate to the effect that the conditions under paragraph (a) to (e) above and this paragraph (f) have been satisfied):

(i) such transaction shall not be a “hostile” acquisition or other “hostile” transaction (i.e., such transaction shall not be opposed by the board of directors (or similar governing body) of the Eligible Business), provided that (i) in the event the Borrower or such Subsidiary, as applicable, proposes to initiate such transaction as hostile transaction with the intent to subsequently obtain the approval of the board of directors of the Eligible Business, the Borrower or such Subsidiary, as applicable, may notify the Administrative Agent and each Lender in writing in advance of the initiation of such proposed transaction together with any information concerning such transaction as the Administrative Agent or any Lender may request, and (ii) the Administrative Agent and each Lender shall have approved such transaction in writing prior to the initiation of such transaction, with the approval of each Lender not to be unreasonably withheld, the Borrower or the Subsidiary, as applicable, may proceed with such transaction as long as the transaction ultimately is approved by the board of directors (or similar governing body) of the Eligible Business (and a majority of which were members of such board of directors (or similar governing body) at the time such transaction was initiated) and is otherwise in accordance with the terms of this Agreement; and

(ii) such acquisition (1) if such acquisition is a stock acquisition, shall be of greater than 50% of the issued and outstanding Capital Stock of such Eligible Business, whether by purchase or as a result of merger or consolidation (provided that the Borrower or such Subsidiary, as applicable, shall be the surviving corporation in any such merger or consolidation), and in any event shall consist of shares of Capital Stock with sufficient voting rights which entitles the Borrower or such Subsidiary, as applicable, to elect a majority of the directors of such Eligible Business and to control the outcome of any shareholder votes with respect to the shareholders of such Eligible Business and (2) if such acquisition is an asset acquisition, shall be of all or a substantial part of an Eligible Business.

“Permitted Investments” means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within three years from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from Standard & Poor’s Ratings Services or from Moody’s Investors Services, Inc.;

(c) investments in certificates of deposit, banker’s acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof which has a combined capital and surplus and undivided profits of not less than \$500,000,000;

(d) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA by S&P and Aaa by Moody’s and (iii) have portfolio assets of at least \$5,000,000,000; and

(e) up to \$50,000,000 in other investments by the Borrower in connection with its cash management activities pursuant to an investment policy approved by (i) a Financial Officer of the Borrower or (ii) the Board of Directors of the Borrower (or committee thereof), if required by the constitutive documents of the Borrower (it being understood that the investment shall be with a Managed Account). For purposes of this definition, the term “Managed Account” means an investment account that is owned by an investor and managed by a professional money manager.

“Permitted Liens” means:

(a) Liens imposed by law for taxes, assessments and governmental charges or claims that are not yet due or are being contested in compliance with Section 6.04;

(b) landlords’, carriers’, warehousemen’s, mechanics’, materialmen’s, repairmen’s and other like Liens imposed by law (other than any such obligation imposed pursuant to Section 430(k) of the Code or 303(k) of ERISA), arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with Section 6.04;

(c) pledges, deposits and statutory trusts made in the ordinary course of business in compliance with workers’ compensation, unemployment insurance and other social security laws or regulations;

(d) deposits and other Liens to secure industrial revenue bonds, the performance of bids, trade contracts (other than for borrowed money), government contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case, in the ordinary course of business;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under paragraph (k) of Article VIII;

(f) easements, restrictions (including zoning restrictions), rights-of-way, licenses, covenants and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Group Members, taken as a whole;

(g) any interest or title of a lessor under any lease entered into by the Borrower or any Subsidiary in the ordinary course of its business and covering only the assets so leased, and any financing statement filed in connection with any such lease;

(h) receipt of progress payments and advances from customers in the ordinary course of business to the extent the same creates a Lien by operation of law on the related inventory and proceeds thereof;

(i) Liens held by third parties on consigned goods incurred in the ordinary course of business;

(j) bankers' liens and rights to setoff with respect to deposit accounts and Liens encumbering margin deposits or brokerage accounts, in each case, incurred in the ordinary course of business;

(k) Liens on insurance policies and the proceeds thereof securing the financing of the insurance premiums with the providers of such insurance or their Affiliates in respect thereof;

(l) other Liens or matters approved by the Administrative Agent in any policy of title insurance issued in connection with any Mortgage; and

(m) Liens on any assets that are the subject of an agreement for a disposition thereof expressly permitted under Section 7.04 that arise due to the existence of such agreement.

“Permitted Subordinated Debt” means unsecured Indebtedness of the Borrower for borrowed money which (a) matures no earlier than, and does not require any scheduled principal payments prior to, the date which is six months after the Final Commitment Termination Date, (b) is not subject to any mandatory prepayment, redemption, repurchase, sinking fund or other similar obligation prior to the date which is six months after the Final Commitment Termination Date, in each case that could require any payment on account of principal in respect thereof prior to the date which is six months after the Final Commitment Termination Date, (c) is not guaranteed by any Group Member which is not a Subsidiary Guarantor, (d) is subordinated to the Obligations on terms and conditions reasonably satisfactory to the Administrative Agent, (e) has terms and conditions (other than interest rate, redemption premiums and subordination terms), taken as a whole, that are not materially less favorable or more restrictive to the Borrower than the terms and conditions customary at the time for high-yield subordinated debt securities issued in a public offering (except to the extent otherwise approved by the Administrative Agent) and (f) has terms and conditions (other than interest rate, redemption premiums and subordination terms), taken as a whole, that are not materially less favorable or more restrictive to the Borrower than the terms and conditions contained in this Agreement;

provided that prior to and immediately after giving effect to such transaction, no Default shall have occurred and be continuing.

“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, as defined in Section 3(2) of ERISA (other than a Multiemployer Plan), subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which any Loan Party 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 set forth in Section 6.01.

“Previous Credit Agreement” has the meaning set forth in the recitals hereto.

~~“Prime Rate” means the rate of interest per annum publicly announced from time to time by JPMCB as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.~~

“Principal Financial Center” means, in the case of any Currency, the principal financial center where such Currency is cleared and settled, as determined by the Administrative Agent.

“Prohibited Transaction” has the meaning assigned to such term in Section 406 of ERISA and Section 4975(c) of the Code.

“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.

“Qualifying Loans” has the meaning set forth in Section 2.11(a).

“Quarterly Dates” means the last Business Day of September, December, March and June in each year, the first of which shall be the first such day after the date hereof.

“Quotation Day” means, (a) with respect to any Eurocurrency Borrowing denominated in English Pounds Sterling for any Interest Period, the first day of such Interest Period, (b) with respect to any Eurocurrency Borrowing denominated in euro for any Interest Period, two TARGET Days prior to the commencement of such Interest Period and (c) with respect to any Eurocurrency Borrowing denominated in any Currency other than English Pounds Sterling or euro for any Interest Period, two Business Days prior to the commencement of such Interest Period (unless, in each case, market practice differs in the relevant market where the Eurocurrency ~~Base~~ Rate for such currency is to be determined, in which case the Quotation Day will be determined by the Administrative Agent in accordance with market practice in such market (and if quotations would normally be given on more than one day, then the Quotation Day will be the last of those days)).

“Range” has the meaning set forth in Section 2.11(a).

“Register” has the meaning set forth in Section 10.04.

“Regulation S-X” means Regulation S-X of the General Rules and Regulations promulgated by the SEC.

“Reimbursement Obligation” means the obligation of the Borrower to reimburse the Issuing Lenders pursuant to Section 2.04(f) for amounts drawn under Letters of Credit.

“Related Parties” means, with respect to any ~~specified~~ Person, such Person’s Affiliates and the ~~respective~~partners, directors, officers, employees, agents, trustees, administrators, managers and advisors of such Person and of such Person’s Affiliates.

“Replaced Facility” has the meaning set forth in Section 10.02.

“Replacement Facility” has the meaning set forth in Section 10.02.

“Reportable Event” means any “reportable event,” as defined in Section 4043(c) of ERISA or the regulations issued thereunder with respect to a Plan (other than a Plan maintained by an ERISA Affiliate that is considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Section 414 of the Code), other than those events as to which the 30-day notice period referred to in Section 4043(c) of ERISA has been waived.

“Responsible Officer” means the chief executive officer, president, vice-president, chief financial officer, treasurer, assistant treasurer, secretary or controller of a Loan Party, and, solely for purposes of notices given to Article II, any other officer or employee of the applicable Loan Party so designated by any of the foregoing officers in a notice to the Administrative Agent or any other officer or employee of the applicable Loan Party designated in or pursuant to an agreement between the applicable 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.

“Required Lenders” means, at any time, Lenders having Revolving Credit Exposures and Available Commitments representing more than 50% of the sum of the Aggregate Revolving Credit Exposures and the Aggregate Available Commitments at such time.

“Requirement of Law” means, as to any Person, the Certificate of Incorporation and By-Laws or other organizational or governing documents of such Person, and any law (including Environmental Law), treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any shares of any class of Capital Stock of any Group Member, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such shares of Capital Stock of any Group Member or any option, warrant or other right to acquire any such shares of Capital Stock of any Group Member.

“Revolving Credit Exposure” means, with respect to any Lender at any time, the sum of (a) the outstanding principal amount of Loans held by such Lender then outstanding and (b) such Lender’s LC Exposure at such time.

“Sanctioned Country” means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (as of the Third Restatement Effective Date, Cuba, Iran, North Korea, Sudan, Syria and the Crimea region of Ukraine).

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State or by the United Nations Security Council, the European Union or any European Union member state, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person “owned” or “controlled” (in each case within the meaning of the applicable governmental Requirement of Law governing such Sanctions) by any such Person or Persons described in the foregoing clauses (a) or (b).

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State or (b) the United Nations Security Council, the European Union, any European Union member state or Her Majesty’s Treasury of the United Kingdom.

~~“Screen Rate” means the EURIBOR Screen Rate and the LIBOR Screen Rate, collectively and individually, as the context may require.~~ S&P” means Standard & Poor’s Financial Services LLC, a subsidiary of S&P Global Inc., and any successor thereto.

“SEC” means the Securities and Exchange Commission, or any regulatory body that succeeds to the functions thereof.

“Second Amendment” means the Second Amendment to Third Amended and Restated Credit Agreement, dated as of September 25, 2017, among the Borrower, the Lenders party thereto and the Administrative Agent.

~~“Second Amendment Effective Date” has the meaning assigned to such term in the Second Amendment.~~

“Second Restatement Effective Date” means the date on which the conditions specified in Sections 5.02 and 5.03 of the Previous Credit Agreement were satisfied (or waived in accordance with Section 10.02 of the Previous Credit Agreement).

“Secured Party” has the meaning assigned to such term in the Guarantee and Collateral Agreement.

“Security Documents” means, collectively, the Guarantee and Collateral Agreement, other security documents hereafter delivered to the Administrative Agent granting a Lien on any property of any Person to secure the obligations and liabilities of any Loan Party under any Loan Document and all Uniform Commercial Code financing statements required by the terms of any such agreement to be filed with respect to the security interests created pursuant thereto.

“Senior Notes” means the 5.25% Senior Notes of the Borrower issued on February 27, 2014 pursuant to the Senior Notes Indenture (as the same may be refinanced, renewed or replaced from time to time pursuant to the Senior Notes Indenture).

“Senior Notes Indenture” means the Indenture, dated as of February 27, 2014, entered into by the Borrower in connection with the issuance of the Senior Notes, together with all instruments and other agreements entered into by the Borrower in connection therewith.

“Solvent” means, with respect to any Person, that as of the date of determination, (a) the sum of such Person’s debt and other liabilities (including contingent liabilities) does not exceed the present fair saleable value of such Person’s present assets, (b) such Person’s capital is not unreasonably small in relation to its business as contemplated on the Third Restatement Effective Date or with respect to any transaction contemplated to be undertaken after the Third Restatement Effective Date, (c) such Person has not incurred and does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts and liabilities (including contingent liabilities) beyond its ability to pay such debts and liabilities as they become due (whether at maturity or otherwise), and (d) such Person is “solvent” within the meaning given that term and similar terms under the Bankruptcy Code and ~~applicable laws~~ Applicable Laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under GAAP).

“Specified Cash Management Agreement”: has the meaning assigned to such term in the Guarantee and Collateral Agreement.

“Specified Swap Agreement”: has the meaning assigned to such term in the Guarantee and Collateral Agreement.

“Specified Time” means 11:00 a.m., London time.

~~“Statutory Reserve Rate” means, for the Interest Period for any Eurocurrency Borrowing, a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the arithmetic mean, taken over each day in such Interest Period, of the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject for eurocurrency funding (currently referred to as “Eurocurrency liabilities” in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurocurrency Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.~~
Spot Rate” for a Currency means the rate reasonably determined by the Administrative Agent to be the rate quoted by the Person acting in such capacity as the spot rate for the purchase by such Person of such Currency with another Currency through its principal foreign exchange trading office at approximately the Specified Time on the date two Business Days prior to the date of such determination; provided that the Administrative Agent may obtain such spot rate from another financial institution reasonably designated by the Administrative Agent if the Person acting in such capacity does not have as of the date of determination a spot buying rate for any such currency.

~~“Step-up Period” has the meaning assigned to such term in Section 7.11(a).~~

“Subsidiary” means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent. Unless otherwise specified, “Subsidiary” means a Subsidiary of the Borrower.

“Subsidiary Guarantor” means each Subsidiary of the Borrower other than any Excluded Foreign Subsidiary or Immaterial Subsidiary. For the avoidance of doubt, as of the ~~Third Restatement~~Fifth Amendment Effective Date, the Subsidiary Guarantors shall be (a) Telephonics Corporation, (b) Clipay Building Products Company, Inc., (c) ~~Clipay Plastics Products Company, Inc.~~Cornell Real Estate Holdings, LLC, (d) The Ames Companies, Inc., (e) Clipay Ames True Temper Holding Corp. ~~and~~ (f) ATT Southern, ~~Inc~~ LLC, (g) Closetmaid LLC, and (h) CornellCookson, LLC.

“Swap Agreement” means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by

current or former directors, officers, employees or consultants of the Borrower or its Subsidiaries shall be a Swap Agreement.

“TARGET Day” means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system (or any successor settlement system as determined by the Administrative Agent) is open for the settlement of payments in euro.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

“Third Amendment” means [the Third Amendment to Third Amended and Restated Credit Agreement, dated as of February 9, 2018, among the Borrower, the Lenders party thereto and the Administrative Agent.](#)

“Third Restatement Effective Date” means ~~the date on which the conditions specified in Sections 5.02 and 5.03 are satisfied (or waived in accordance with Section 10.02)~~ [March 22, 2016.](#)

“Transactions” means the execution, delivery and performance by each Loan Party of this Agreement and the other Loan Documents to which such Loan Party is intended to be a party, the borrowing of Loans and the issuance of Letters of Credit hereunder.

“Type,” when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Eurocurrency Rate or the Alternate Base Rate.

“United States” and “U.S.” mean [the United States of America.](#)

“U.S. Tax Certificate” has the meaning set forth in Section 2.17(f).

“Yen” means [the lawful currency of Japan.](#)

“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, 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.

SECTION 1.02 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words “asset” and “property”

shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

Any reference herein to a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a division of or by a limited liability company, or an allocation of assets to a series of a limited liability company (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale, disposition or transfer, or similar term, as applicable, to, of or with a separate Person. Any division of a limited liability company shall constitute a separate Person hereunder (and each division of any limited liability company that is a Subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

SECTION 1.03 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.

SECTION 1.04 ~~SECTION 1.03~~ Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. To enable the ready and consistent determination of compliance with the covenants set forth in Article VII, the Borrower will not change the last day of its fiscal year from September 30, or the last days of the first three fiscal quarters in each of its fiscal years from December 31, March 31 and June 30, respectively. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Statement of Financial Accounting Standards 159 (or any other Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrower or any Subsidiary at “fair value,” as defined therein. Without limiting the foregoing, for purposes of determining compliance with any provision of this Agreement and any related definitions, the determination of whether a lease is to be treated as an operating lease or capital lease shall be made without giving effect to any change in GAAP that becomes effective on or after the Third Restatement Effective Date that would require operating leases to be treated similarly to capital leases.

SECTION 1.05 ~~SECTION 1.04~~ Currencies; Currency Equivalents; Euro. At any time, any reference in the definition of the term “Agreed Foreign Currency” or in any other provision of this Agreement to the Currency of any particular nation means the lawful currency of such nation at such time whether or not the name of such Currency is the same as it was on the ~~date hereof~~ Third Restatement Effective Date. Except as provided in Section 2.11(b) and the last sentence of Section 2.18(a), for purposes of determining (i) as of the date of the making of any Loan or the issuance, amendment, renewal or extension of any Letter of Credit, (x) whether the amount of any Borrowing, together with all other Borrowings then outstanding or to be borrowed at the same time as such Borrowing would exceed the Aggregate Commitment, (y) whether the Aggregate LC Exposure in respect of any Letter of Credit to be issued, amended, renewed or extended, together with the Aggregate LC Exposure of all other Letters of Credit then outstanding would exceed the Aggregate Letter of Credit ~~Commitment~~ Sublimit Amount or (z) whether, after giving effect to the making of such Loan or the issuance, amendment, renewal or extension of such

Letter of Credit, as applicable, the Aggregate Revolving Credit Exposure would exceed the Aggregate Commitment, (ii) the Aggregate Available Commitments, (iii) the outstanding aggregate principal amount of Borrowings, (iv) the Aggregate LC Exposure, (v) the Aggregate Revolving Credit Exposure and (vi) any other amount requiring conversion of an amount denominated in a Foreign Currency into an amount denominated in Dollars, (x) the outstanding principal amount of any Borrowing that is denominated in any Foreign Currency shall be deemed to be the Dollar Equivalent of the amount of the Foreign Currency of such Borrowing determined as of the date of such Borrowing (determined in accordance with the last sentence of the definition of the term "Interest Period") and (y) the Aggregate LC Exposure with respect to any Letter of Credit denominated in any Foreign Currency shall be deemed to be the Dollar Equivalent of the amount of such Foreign Currency of the Aggregate LC Exposure with respect to such Letter of Credit determined initially as of the date of issuance thereof, and thereafter on each Quarterly Date. Wherever in this Agreement in connection with a Borrowing or Loan an amount, such as a required minimum or multiple amount, is expressed in Dollars, but such Borrowing or Loan is denominated in a Foreign Currency, such amount shall be the relevant Foreign Currency Equivalent of such Dollar amount (rounded to the nearest 1,000 units of such Foreign Currency).

Each obligation hereunder of any party hereto that is denominated in a Currency of a country that is not a Participating Member State on the ~~date hereof~~ [Third Restatement Effective Date](#) shall, effective from the date on which such country becomes a Participating Member State, be redenominated in euro in accordance with the legislation of the European Union applicable to the European Monetary Union; provided that, if and to the extent that any such legislation provides that any such obligation of any such party payable within such Participating Member State by crediting an account of the creditor can be paid by the debtor either in euro or such Currency, such party shall be entitled to pay or repay such amount either in euro or in such Currency. If the basis of accrual of interest or fees expressed in this Agreement with respect to an Agreed Foreign Currency of any country that becomes a Participating Member State after the date on which such currency becomes an Agreed Foreign Currency shall be inconsistent with any convention or practice in the interbank market for the basis of accrual of interest or fees in respect of the euro, such convention or practice shall replace such expressed basis effective as of and from the date on which such country becomes a Participating Member State; provided that, with respect to any Borrowing denominated in such currency that is outstanding immediately prior to such date, such replacement shall take effect at the end of the Interest Period therefor. Without prejudice to the respective liabilities of the Borrower to the Lenders and of the Lenders to the Borrower under or pursuant to this Agreement, each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time reasonably specify to be necessary or appropriate to reflect the introduction or changeover to the euro in any country that becomes a Participating Member State after the ~~date hereof~~ [Third Restatement Effective Date](#).

SECTION 1.06 [Additional Agreed Foreign Currencies](#).

- (a) [The Borrower may from time to time request that Eurocurrency Loans be made and/or Letters of Credit be issued in a Currency other than those specifically listed in the definition of "Agreed Foreign Currency;" provided that such requested Currency is a lawful Currency \(other than Dollars\) that is readily available and freely transferable and convertible into Dollars. In the case of any such request with respect to the making of Eurocurrency Loans, such request shall be subject to the approval of the Administrative Agent and the Lenders; and in the case of any such request with respect to the issuance of Letters of Credit, such request shall be subject to the approval of the Administrative Agent and the Issuing Lenders.](#)
- (b) [Any such request shall be made to the Administrative Agent not later than 11:00 a.m., New York City time, 10 Business Days prior to the date of the desired Borrowing or Letter of Credit issuances \(or such other time or date as may be agreed by the Administrative Agent and, in the case of any such request pertaining to Letters of Credit, the Issuing Lenders, in its or their sole discretion\). In the case of any such request pertaining to Eurocurrency Loans, the Administrative Agent shall promptly notify each Lender thereof; and in the case of any such request pertaining to Letters of Credit, the Administrative Agent shall promptly notify the Issuing Lenders thereof. Each Lender \(in the case of any such request pertaining to](#)

Eurocurrency Loans) or each Issuing Lender (in the case of a request pertaining to Letters of Credit) shall notify the Administrative Agent, not later than 11:00 a.m., New York City time, 5 Business Days after receipt of such request whether it consents, in its sole discretion, to the making of Eurocurrency Loans or the issuance of Letters of Credit, as the case may be, in such requested Currency.

- (c) Any failure by a Lender or an Issuing Lender, as the case may be, to respond to such request within the time period specified in the preceding sentence shall be deemed to be a refusal by such Lender or such Issuing Lender, as the case may be, to permit Eurocurrency Loans to be made or Letters of Credit to be issued in such requested currency. If the Administrative Agent and all the Lenders consent to making Eurocurrency Loans in such requested currency, the Administrative Agent shall so notify the Borrower and such Currency shall thereupon be deemed for all purposes to be an Agreed Foreign Currency hereunder for purposes of any Borrowings of Eurocurrency Loans; and if the Administrative Agent and the Issuing Lenders consent to the issuance of Letters of Credit in such requested Currency, the Administrative Agent shall so notify the Borrower and such Currency shall thereupon be deemed for all purposes to be an Agreed Foreign Currency hereunder for purposes of any Letter of Credit issuances. If the Administrative Agent shall fail to obtain consent to any request for an additional Currency under this Section 1.06, the Administrative Agent shall promptly so notify the Borrower.

SECTION 1.07 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 definition of "Eurocurrency Rate" or with respect to any comparable or successor rate thereto.

ARTICLE II THE CREDITS

SECTION 2.01 The Commitments. Subject to the terms and conditions set forth herein, each Lender agrees to make Loans in Dollars or in any Agreed Foreign Currency to the Borrower from time to time during the Availability Period in an aggregate principal amount that will not result in (a) such Lender's Revolving Credit Exposure exceeding such Lender's Commitment, (b) the Aggregate Revolving Credit Exposure exceeding the Aggregate Commitment or (c) the aggregate amount of Revolving Credit Exposures denominated in Foreign Currencies exceeding the Aggregate Foreign Currency Sublimit Dollar Amount. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Loans.

SECTION 2.02 Loans and Borrowings.

(a) Obligations of Lenders. Each Loan shall be made as part of a Borrowing consisting of Loans of the same Currency and Type made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Type of Loans. Subject to Section 2.14, each Borrowing shall be constituted entirely of ABR Loans or of Eurocurrency Loans denominated in a single Currency as the Borrower may request in accordance herewith. Each ABR Loan shall be denominated in Dollars. Each Lender at its option may make any Eurocurrency Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) Minimum Amounts; Limitation on Number of Borrowings. Each Eurocurrency Borrowing shall be in an aggregate amount of \$1,000,000 or a larger multiple of \$100,000. Each ABR Borrowing shall be in an aggregate amount equal to \$500,000 or a larger multiple of \$100,000; provided that an ABR Borrowing may be in an aggregate amount that is equal to the Aggregate Available Commitments, that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.04(f). Borrowings of more than one Currency and Type may be outstanding at the same time; provided that there shall not at any time be more than a total of ten Eurocurrency Borrowings outstanding.

(d) Limitations on Interest Periods. Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to select any Interest Period with respect to any Borrowing that would end after the Commitment Termination Date (or, with respect to any Borrowing of Extended Loans, the termination date with respect thereto).

SECTION 2.03 Requests for Borrowings.

(a) Notice by the Borrower. To request a Borrowing, the Borrower shall irrevocably notify the Administrative Agent ~~of such request by which notice may be given by (A) telephone (or, in the case of Eurocurrency Borrowings denominated in Foreign Currencies, in writing) or (B) a Borrowing Request; provided that any telephonic notice must be confirmed immediately by delivery to the Administrative Agent of a Borrowing Request. Each such Borrowing Request must be received by the Administrative Agent no later than~~ (i) in the case of a Eurocurrency Borrowing denominated in Dollars, not later than 12:00 noon, New York City time, three Business Days before the date of the proposed Borrowing, (ii) in the case of a Eurocurrency Borrowing denominated in English Pounds Sterling or euro, not later than 12:00 noon, London time, four Business Days before the date of the proposed Borrowing, (iii) in the case of a Eurocurrency Borrowing denominated in any Agreed Foreign Currency other than English Pounds Sterling or euro, not later than 12:00 noon, London time, five Business Days before the date of the proposed Borrowing, or (iv) in the case of an ABR Borrowing, not later than 12:00 noon, New York City time, on the date of the proposed Borrowing. ~~Each such Borrowing Request shall be irrevocable and, in the case of requests by telephone, shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrower.~~

(b) Content of Borrowing Requests. Each telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the aggregate amount and Currency of the requested Borrowing;

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) in the case of a Borrowing denominated in Dollars, whether such Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing;

(iv) in the case of a Eurocurrency Borrowing, the Interest Period therefor, which shall be a period contemplated by the definition of the term "Interest Period" and permitted under Section 2.02(d); and

(v) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.05.

(c) Notice by the Administrative Agent to the Lenders. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

(d) Failure to Elect. If no election as to the Currency of a Borrowing is specified, then the requested Borrowing shall be denominated in Dollars. If no election as to the Type of a Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing unless an Agreed Foreign Currency has been specified, in which case the requested Borrowing shall be a Eurocurrency Borrowing denominated in such Agreed Foreign Currency. If no Interest Period is specified with respect to any requested Eurocurrency Borrowing, (i) if the Currency specified for such Borrowing is Dollars (or if no Currency has been so specified), the requested Borrowing shall be made instead as an ABR Borrowing, and (ii) if the Currency specified for such Borrowing is an Agreed Foreign Currency, the Borrower shall be deemed to have selected an Interest Period of one month's duration.

SECTION 2.04 Letters of Credit

(a) General. Subject to the terms and conditions set forth herein, in addition to the Loans provided for in Section 2.01, the Borrower may request that any Issuing Lender issue, at any time and from time to time during the Availability Period, Letters of Credit denominated in Dollars or any Agreed Foreign Currency for its own account in such form as is acceptable to such Issuing Lender in its reasonable determination. Letters of Credit issued hereunder shall constitute utilization of the Commitments. The Letters of Credit issued or continued for the account of the Borrower under the Existing Credit Agreements and outstanding on the Effective Date were deemed Letters of Credit for all purposes of the Original Credit Agreement and the other Loan Documents pursuant to the terms of the Original Credit Agreement. The Letters of Credit issued or continued for the account of the Borrower under the Original Credit Agreement and outstanding on the Restatement Effective Date were deemed Letters of Credit for all purposes of the First Restated Credit Agreement and the other Loan Documents pursuant to the terms of the First Restated Credit Agreement. The Letters of Credit issued or continued for the account of the Borrower under the First Restated Credit Agreement and outstanding on the Second Restatement Effective Date were deemed Letters of Credit for all purposes of the Previous Credit Agreement and the other Loan Documents pursuant to the terms of the Previous Credit Agreement. The Letters of Credit issued or continued for the account of the Borrower under the Previous Credit Agreement and outstanding on the Third Restatement Effective Date (the "Existing Letters of Credit") shall be Letters of Credit for all purposes of this Agreement and the other Loan Documents. The Borrower, the Administrative Agent and the Lenders hereby agree that, from and after the Third Restatement Effective Date, the terms of this Agreement shall apply to the Existing Letters of Credit, superseding any other agreement theretofore applicable to them to the extent inconsistent with the terms hereof. Notwithstanding anything to the contrary in any reimbursement agreement applicable to the Existing Letters of Credit, the fees payable in connection with each Existing Letter of Credit to be shared with the Lenders shall accrue from the Third Restatement Effective Date at the rate provided in Section 2.12(b) hereof.

(b) Notice of Issuance, Amendment, Renewal or Extension. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the applicable Issuing Lender) to the applicable Issuing Lender and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (d) of this Section), the amount and Currency of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by any Issuing Lender, the Borrower also shall submit a ~~letter of credit application~~ [Letter of Credit Application](#) on such Issuing Lender's standard form in connection with any request for a Letter of Credit. Any Letter of Credit may provide for renewal thereof for additional periods of up to 12 months or such longer period of time as may be agreed by the applicable Issuing Lender (which in no event shall extend beyond the date specified in paragraph (d) of this Section, except as otherwise provided therein). In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of ~~letter of credit application~~ [Letter of Credit Application](#) or other agreement submitted by the Borrower to, or

entered into by the Borrower with, any Issuing Lender relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(c) Limitations on Amounts. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the Aggregate LC Exposure shall not exceed the Aggregate Letter of Credit Sublimit Amount, (ii) the Aggregate Revolving Credit Exposure shall not exceed the Aggregate Commitment, (iii) the Revolving Credit Exposure of each Lender shall not exceed such Lender's Commitment, (iv) the aggregate amount of Revolving Credit Exposures denominated in Foreign Currencies shall not exceed the Aggregate Foreign Currency Sublimit Dollar Amount and (v) the LC Obligations attributable to all Letters of Credit issued by any Issuing Lender shall not exceed such Issuing Lender's LC Commitment then in effect.

(i) No Issuing Lender shall 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 Issuing Lender from issuing the Letter of Credit, or any Law applicable to such Issuing Lender or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such Issuing Lender shall prohibit, or request that such Issuing Lender refrain from, the issuance of letters of credit generally or the Letter of Credit in particular or shall impose upon such Issuing Lender with respect to the Letter of Credit any restriction, reserve or capital requirement (for which such Issuing Lender is not otherwise compensated hereunder) not in effect on the Third Restatement Effective Date, or shall impose upon such Issuing Lender any unreimbursed loss, cost or expense which was not applicable on the Third Restatement Effective Date and which such Issuing Lender in good faith deems material to it;

(B) the issuance of such Letter of Credit would violate one or more policies of such Issuing Lender applicable to letters of credit generally;

(C) except as otherwise consented to by the Administrative Agent and such Issuing Lender, such consent not to be unreasonably withheld, the Letter of Credit is in an initial stated amount less than \$15,000; or

(D) any Lender is at that time a Defaulting Lender, unless such Issuing Lender has entered into arrangements, including the delivery of cash collateral, reasonably satisfactory to such Issuing Lender (in its sole discretion) with the Borrower or such Lender to eliminate such Issuing Lender's actual or potential Fronting Exposure (after giving effect to Section 2.20(c)(i)) 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 LC Obligations as to which such Issuing Lender has actual or potential Fronting Exposure, as it may elect in its reasonable discretion.

(ii) No Issuing Lender shall be under any obligation to amend any Letter of Credit if (A) such Issuing Lender would have no obligation at such time to issue the Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of the Letter of Credit does not accept the proposed amendment to the Letter of Credit.

(d) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year (or a later date if agreed to by the applicable Issuing Lender in its sole discretion) after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, the date that is

one year (or a later date if agreed to by the applicable Issuing Lender in its sole discretion) after such renewal or extension) and (ii) the date that is 10 Business Days prior to the Commitment Termination Date, unless (x) the termination date in respect of any tranche of Commitments is later than the Commitment Termination Date and the Borrower agrees to comply with the requirements of Section 2.04(l) (in which case, subject to clause (y), such Letter of Credit shall terminate no later than the date that is 10 Business Days prior to such later termination date) or (y) the Borrower agrees to either (I) provide cash collateral with respect to such Letters of Credit on such date in accordance with Section 2.04(k) or (II) enter into backstop arrangements reasonably acceptable to the applicable Issuing Lender.

(e) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) by any Issuing Lender, and without any further action on the part of such Issuing Lender or the Lenders, such Issuing Lender hereby grants to each Lender, and each Lender hereby acquires from such Issuing Lender, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments.

In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for account of each Issuing Lender, such Lender's Applicable Percentage of each LC Disbursement made by such Issuing Lender promptly upon the request of such Issuing Lender at any time from the time of such LC Disbursement until such LC Disbursement is reimbursed by the Borrower or at any time after any reimbursement payment is required to be refunded to the Borrower for any reason. Such payment shall be made in the Currency of such LC Disbursement and without any offset, abatement, withholding or reduction whatsoever. Such payment obligation shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such Lender or the Borrower may have against such Issuing Lender, the Borrower or any other Person for any reason whatsoever, (ii) the occurrence or continuance of a Default or the failure to satisfy any of the other conditions specified in Article V, (iii) any adverse change in the condition (financial or otherwise) of the Borrower, (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other Lender or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. Each such payment shall be made in the same manner as provided in Section 2.05 with respect to Loans made by such Lender (and Section 2.05 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the applicable Issuing Lender the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to paragraph (f) of this Section, the Administrative Agent shall distribute such payment to the applicable Issuing Lender or, to the extent that the Lenders have made payments pursuant to this paragraph to reimburse such Issuing Lender, then to such Lenders and such Issuing Lender as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse any Issuing Lender for any LC Disbursement shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(f) Reimbursement. If any Issuing Lender shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such Issuing Lender in respect of such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement (in the same Currency as such LC Disbursement) not later than 12:00 noon, New York City time, on (i) the Business Day that the Borrower receives notice of such LC Disbursement, if such notice is received prior to 10:00 a.m., New York City time, or (ii) the Business Day immediately following the day that such Borrower receives such notice, if such notice is not received prior to such time, provided that, if such LC Disbursement is in Dollars and is not less than \$500,000, the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 that such payment be

financed with an ABR Borrowing in an equivalent amount and, to the extent so financed, such Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Borrowing.

If the Borrower fails to make such payment when due, the Administrative Agent shall notify each Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof, the Currency thereof and such Lender's Applicable Percentage thereof.

(g) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (f) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by any Issuing Lender under a Letter of Credit against presentation of a draft or other document that does not comply strictly with the terms of such Letter of Credit, and (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of the Borrower's obligations hereunder.

Neither the Administrative Agent, the Lenders nor the Issuing Lenders, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit by any Issuing Lender or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of such Issuing Lender; provided that the foregoing shall not be construed to excuse any Issuing Lender from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by ~~applicable law~~ Applicable Law) suffered by the Borrower that are caused by such Issuing Lender's gross negligence or willful misconduct, as determined by a court of competent jurisdiction by a final and nonappealable judgment, when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that:

(i) each Issuing Lender may accept documents that appear on their face to be in substantial compliance with the terms of a Letter of Credit without responsibility for further investigation, regardless of any notice or information to the contrary, and may make payment upon presentation of documents that appear on their face to be in substantial compliance with the terms of such Letter of Credit;

(ii) each Issuing Lender shall have the right, in its sole discretion, to decline to accept such documents and to make such payment if such documents are not in strict compliance with the terms of such Letter of Credit; and

(iii) this sentence shall establish the standard of care to be exercised by each Issuing Lender when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof (and the parties hereto hereby waive, to the extent permitted by ~~applicable law~~ Applicable Law, any standard of care inconsistent with the foregoing).

(h) Disbursement Procedures. Each Issuing Lender shall, within a reasonable time following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. Each Issuing Lender shall promptly after such examination notify the Administrative Agent and the Borrower by telephone (confirmed by telecopy) of such demand for payment and whether such Issuing Lender has made or will

make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse such Issuing Lender and the Lenders with respect to any such LC Disbursement.

(i) Interim Interest. If any Issuing Lender shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate per annum then applicable to ABR Loans; provided that, if the Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (f) of this Section, then Section 2.13(c) shall apply. Interest accrued pursuant to this paragraph shall be for account of the applicable Issuing Lender, except that interest accrued on and after the date of payment by any Lender pursuant to paragraph (f) of this Section to reimburse such Issuing Lender shall be for account of such Lender to the extent of such payment.

(j) Replacement of the Issuing Lender. Any Issuing Lender may be replaced at any time by written agreement between the Borrower, the Administrative Agent, the replaced Issuing Lender and the successor Issuing Lender. The Administrative Agent shall notify the Lenders of any such replacement of any Issuing Lender. At the time any such replacement shall become effective, the Borrower shall pay all unpaid fees accrued for account of the replaced Issuing Lender pursuant to 2.12(b). From and after the effective date of any such replacement, (i) the successor Issuing Lender shall have all the rights and obligations of the replaced Issuing Lender under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Lender" shall be deemed to refer to such successor or to any previous Issuing Lender, or to such successor and all previous Issuing Lenders, as the context shall require. After the replacement of an Issuing Lender hereunder, the replaced Issuing Lender shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Lender under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(k) Cash Collateralization. If an Event of Default shall occur and be continuing and the Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposures representing more than 50% of the Aggregate LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall immediately deposit into the Collateral Account (or such other collateral account as the Administrative Agent shall establish for such purpose) an amount in cash equal to, the Aggregate LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default described in paragraph (h) or (i) of Article VIII. Such deposit shall be held by the Administrative Agent in the Collateral Account as Collateral in the first instance for the Aggregate LC Exposure under this Agreement and thereafter for the payment of the "~~Secured~~ Obligations" under and as defined in the Guarantee and Collateral Agreement, and for these purposes the Borrower hereby grants a security interest to the Administrative Agent for the benefit of the Secured Parties in the Collateral Account (or such other collateral account, as applicable) and in any financial assets (as defined in the Uniform Commercial Code) or other property held therein.

(l) Treatment of Letters of Credit Upon Maturity of Any Tranche of Commitments. If the termination date in respect of any tranche of Commitments occurs prior to the expiration of any Letter of Credit, then (i) if one or more other tranches of Commitments in respect of which the termination date shall not have occurred are then in effect, (x) the outstanding Loans shall be repaid pursuant to Section 2.10 on such termination date in an amount sufficient to permit the reallocation of the LC Obligations relating to the outstanding Letters of Credit contemplated by clause (y) below and (y) such Letters of Credit shall automatically be deemed to have been issued (including for purposes of the obligations of the Lenders to purchase participations therein and to make payments in respect thereof pursuant to Section 2.04(e)) under (and ratably participated in by Lenders pursuant to) the Commitments in respect

of such non-terminating tranches up to an aggregate amount not to exceed the aggregate principal amount of the Commitments in respect of such non-terminating tranches at such time (it being understood that the participations therein of Lenders under the maturing tranche shall be correspondingly released) and (ii) to the extent not reallocated pursuant to immediately preceding clause (i), but without limiting the obligations with respect thereto, the Borrower shall either (I) provide cash collateral with respect to such Letters of Credit on such date in accordance with Section 2.04(k) or (II) enter into backstop arrangements reasonably acceptable to each applicable Issuing Lender. If, for any reason, such cash collateral is not provided, such backstop arrangements are not entered into and the reallocation does not occur, the Lenders under the maturing tranche shall continue to be responsible for their participating interests in the Letters of Credit; provided that, notwithstanding anything to the contrary contained herein, (A) the continuing participations of the Lenders under the maturing tranche shall be included in the calculation of the Required Lenders (with each such Lender's participation deemed to be its outstanding LC Exposure) and (B) upon any subsequent repayment of the Loans, the reallocation set forth in clause (i) shall automatically and concurrently occur to the extent of such repayment. Except to the extent of reallocations of participations pursuant to clause (i) of the second preceding sentence, the occurrence of a termination date with respect to a given tranche of Commitments shall have no effect upon (and shall not diminish) the percentage participations of the Lenders in any Letter of Credit issued before such termination date. Commencing with the termination date of any tranche of Commitments, the sublimit for Letters of Credit under any tranche of Commitments that has not terminated on such date shall be as agreed with such Lenders; provided that in no event shall such sublimit be less than the sum of (x) the LC Obligations of the Lenders under such extended tranche immediately prior to such termination date and, without duplication, (y) the face amount of the Letters of Credit reallocated to such tranche of Commitments pursuant to clause (i) of the second preceding sentence (assuming Loans are repaid in accordance with clause (i)(x) of the second preceding sentence).

SECTION 2.05 Funding of Borrowings.

(a) Funding by Lenders. Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 3:00 p.m., Local Time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower designated by the Borrower in the applicable Borrowing Request; provided that ABR Borrowings made to finance the reimbursement of an LC Disbursement as provided in Section 2.04(f) shall be remitted by the Administrative Agent to the applicable Issuing Lender. On the Third Restatement Effective Date, all Existing Loans shall be deemed repaid (other than for purposes of Section 2.16 of the Previous Credit Agreement) and such portion thereof that were ABR Loans shall be reborrowed as ABR Loans by the Borrower and such portion thereof that were Eurocurrency Loans shall be reborrowed as Eurocurrency Loans (it being understood that for each tranche of Existing Loans that were Eurocurrency Loans, (x) the initial Interest Period for the relevant reborrowed Eurocurrency Loans shall equal the remaining length of the Interest Period for such tranche and (y) the Eurocurrency Rate for the relevant reborrowed Eurocurrency Loans during such initial Interest Period shall be the Eurocurrency Rate for such tranche immediately prior to the Third Restatement Effective Date) and Lenders shall advance funds to the Administrative Agent no later than 12:00 noon, Local Time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders as shall be required to (i) repay in full the Existing Loans (together with accrued interest thereon) of the Existing Lenders that are not Lenders hereunder and (ii) repay the Existing Loans of the Existing Lenders to the extent necessary to cause each Lender's share of the outstanding Loans on the Third Restatement Effective Date to be equal to its Applicable Percentage (after giving effect to the Third Restatement Effective Date).

(b) Presumption by the Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in

reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the 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 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 (i) in the case of such Lender, the greater of the Federal Funds ~~Effective~~ Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans, in each case together with any related reasonable out-of-pocket costs incurred by the Administrative Agent. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.06 Interest Elections.

(a) Elections by the Borrower. The Loans constituting each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurocurrency Borrowing, shall have the Interest Period specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a Borrowing of a different Type or to continue such Borrowing as a Borrowing of the same Type and, in the case of a Eurocurrency Borrowing, may elect the Interest Period therefor, all as provided in this Section; provided that (i) a Borrowing denominated in one Currency may not be continued as, or converted to, a Borrowing in a different Currency, (ii) no Eurocurrency Borrowing denominated in a Foreign Currency may be continued if, after giving effect thereto, the Aggregate Revolving Credit Exposure would exceed the Aggregate Commitment, and (iii) a Eurocurrency Borrowing denominated in a Foreign Currency may not be converted to a Borrowing of a different Type. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans constituting such Borrowing, and the Loans constituting each such portion shall be considered a separate Borrowing.

(b) Notice of Elections. To make an election pursuant to this Section, the Borrower shall irrevocably notify the Administrative Agent of such election by (A) telephone ~~(or, in the case of Borrowings in Foreign Currencies, in writing)~~ or through (B) an Interest Election Request; provided that any telephonic notice will be followed immediately by delivery of an Interest Election Request, in either case, by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. ~~Each such Interest Election Request shall be irrevocable and, in the case of requests by telephone, shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Borrower.~~

(c) Content of Interest Election Requests. Each telephonic and written Interest Election Request shall specify the following information ~~in compliance with Section 2.02:~~

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) of this paragraph shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether, in the case of a Borrowing denominated in Dollars, the resulting Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing; and

(iv) if the resulting Borrowing is a Eurocurrency Borrowing, the Interest Period therefor after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period" and permitted under Section 2.02(d).

(d) Notice by the Administrative Agent to the Lenders. Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) Failure to Elect; Events of Default. If the Borrower fails to deliver a timely and complete Interest Election Request with respect to a Eurocurrency Borrowing prior to the end of the Interest Period therefor, then, unless such Borrowing is repaid as provided herein, (i) if such Borrowing is denominated in Dollars, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing, and (ii) if such Borrowing is denominated in a Foreign Currency, such Borrower shall be deemed to have selected an Interest Period of one month's duration. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (A) no outstanding Borrowing denominated in Dollars may be converted to or continued as a Eurocurrency Borrowing, (B) unless repaid, each Eurocurrency Borrowing denominated in Dollars shall be converted to an ABR Borrowing at the end of the Interest Period therefor and (C) no outstanding Eurocurrency Borrowing denominated in a Foreign Currency may have an Interest Period of more than one month's duration.

SECTION 2.07 [Reserved].

SECTION 2.08 [Reserved].

SECTION 2.09 Termination, Reduction and Increase of the Commitments.

(a) Scheduled Termination. Unless previously terminated, the Commitments of the Lenders shall terminate on the Commitment Termination Date; provided that unless previously terminated, any Extended Commitments of the Lenders shall terminate on the termination date of such Extended Commitments.

(b) Voluntary Termination or Reduction. The Borrower may at any time terminate, or from time to time reduce, any tranche of Commitments, provided that (i) each such reduction pursuant to this Section shall be in an amount that is \$500,000 or a larger multiple of \$100,000 and (ii) the Borrower shall not terminate or reduce any tranche of Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.11, (x) the Aggregate Revolving Credit Exposure would exceed the Aggregate Commitment, (y) the Revolving Credit Exposure of any Lender would exceed the Commitment of such Lender or (z) with respect to any tranche of Commitments, the sum of the aggregate outstanding principal amount of the outstanding Loans of Lenders in respect of such tranche of Commitments plus the aggregate amount of LC Obligations in respect of such tranche of Commitments would exceed the aggregate amount of the Commitments of such tranche. The Borrower shall notify the Administrative Agent of any election to terminate or reduce any tranche of Commitments under this paragraph (b) at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of such termination may state that such notice is conditioned upon the effectiveness of other credit facilities, 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 any tranche of Commitments shall be permanent. Other than in connection with a prepayment of Loans in accordance with the provisions of Section 2.11(a)(ii), each reduction of any tranche of Commitments shall be made ratably among the Lenders of such tranche in accordance with their respective Commitments.

(c) Increase of Commitment.

(i) Requests for Commitment Increase. The Borrower may, at any time (but in no event more than three times), propose that the Aggregate Commitment hereunder be increased (each such proposed increase being a "Commitment Increase") by having an existing Lender agree to increase its then existing Commitment (each, an "Increasing Lender") and/or by adding as a new Lender hereunder any Person identified by the Borrower which shall agree to provide a Commitment hereunder (each, an "Assuming Lender"), in each case with the consent of the Administrative Agent and each Issuing Lender (such consent in each case not to be unreasonably withheld), by notice to the Administrative Agent specifying the amount of the relevant Commitment Increase, the Lender or Lenders providing for such Commitment Increase and the date on which such increase is to be effective (the "Commitment Increase Date"), which shall be a Business Day at least three Business Days after delivery of such notice and 30 days prior to the Commitment Termination Date; provided that:

(A) the minimum amount of the Commitment of any Assuming Lender, and the minimum amount of the increase of the Commitment of any Increasing Lender, as part of such Commitment Increase shall be \$10,000,000 or a larger multiple of \$1,000,000;

(B) the aggregate amount of all such Commitment Increases hereunder shall not exceed \$50,000,000;

(C) no Default shall have occurred and be continuing on such Commitment Increase Date or shall result from the proposed Commitment Increase; and

(D) the representations and warranties contained in this Agreement and the other Loan Documents shall be true and correct on and as of the Commitment Increase Date as if made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date).

(ii) Effectiveness of Commitment Increase. Each Commitment Increase (and the increase of the Commitment of each Increasing Lender and/or the new Commitment of each Assuming Lender, as applicable, resulting therefrom) shall become effective as of the relevant Commitment Increase Date upon receipt by the Administrative Agent, on or prior to 9:00 a.m., New York time, on such Commitment Increase Date, of (A) a certificate of a duly authorized officer of the Borrower stating that the conditions with respect to such Commitment Increase under this paragraph (c) have been satisfied and (B) an agreement, in form and substance satisfactory to the Borrower and the Administrative Agent, pursuant to which, effective as of such Commitment Increase Date, the Commitment of each such Increasing Lender shall be increased or each such Assuming Lender, as applicable, shall undertake a Commitment, duly executed by such Increasing Lender or Assuming Lender, as the case may be, and the Borrower and acknowledged by the Administrative Agent. Upon the Administrative Agent's receipt of a fully executed agreement from each Increasing Lender and/or Assuming Lender referred to in clause (B) above, together with the certificate referred to in clause (A) above, the Administrative Agent shall record the information contained in each such agreement in the Register and give prompt notice of the relevant Commitment Increase to the Borrower and the Lenders (including, if applicable, each Assuming Lender). On each Commitment Increase Date, the Borrower shall simultaneously (i) prepay in full the outstanding Loans (if any) held by the Lenders immediately prior to giving effect to the relevant Commitment Increase, (ii) if the Borrower shall have so requested in accordance with this Agreement, borrow new Loans from all Lenders (including, if applicable, any Assuming Lender) such that, after giving effect thereto, the Loans (in the respective Currencies) are held ratably by the Lenders in accordance with their respective Commitments (after giving effect to such Commitment Increase) and (iii) pay to the Lenders the amounts, if any, payable under Section 2.16.

SECTION 2.10 Repayment of Loans; Evidence of Debt.

(a) Repayment. The Borrower hereby unconditionally promises to pay to the Administrative Agent for account of the Lenders (i) the outstanding principal amount of the Loans (other than any Extended Loans) on the Commitment Termination Date and (ii) the outstanding principal amount of any Extended Loans on the termination date of such Extended Loans.

(b) Manner of Payment. Prior to any repayment or prepayment of any Borrowings hereunder, the Borrower shall select the Borrowing or Borrowings to be paid and shall notify the Administrative Agent by telephone (confirmed by telecopy) of such selection (i) in the case of Eurocurrency Loans, not later than 12:00 noon, New York City time, three Business Days before the scheduled date of such repayment and (ii) in the case of ABR Loans, not later than 12:00 noon, New York City time, on the scheduled date of such repayment. If the Borrower fails to make a timely selection of the Borrowing or Borrowings to be repaid or prepaid, such payment shall be applied, first, to pay any outstanding ABR Borrowings and, second, to other Borrowings in the order of the remaining duration of their respective Interest Periods (the Borrowing with the shortest remaining Interest Period to be repaid first). Each payment of a Borrowing shall be applied ratably to the Loans included in such Borrowing.

(c) Maintenance of Records by Lenders. Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts and Currency of principal and interest payable and paid to such Lender from time to time hereunder.

(d) Maintenance of Records by the Administrative Agent. The Administrative Agent shall maintain accounts in which it shall record (i) the amount and Currency of each Loan made hereunder, the Type thereof and each Interest Period therefor, (ii) the amount and Currency of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount and Currency of any sum received by the Administrative Agent hereunder for account of the Lenders and each Lender's share thereof.

(e) Effect of Entries. The entries made in the accounts maintained pursuant to paragraph (c) or (d) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(f) Promissory Notes. Any Lender may request that Loans made by it to the Borrower be evidenced by a promissory note of the Borrower. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) in a principal amount equal to such Lender's Commitment and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 10.04) be represented by one or more promissory notes in such form payable to the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.11 Prepayment of Loans.

(a) Optional Prepayments.

(i) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, without premium or penalty, subject to the requirements of this Section; provided that, if a Eurocurrency Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.16. Partial prepayments of Loans shall be in an aggregate principal amount of \$500,000 or a whole multiple thereof.

(ii) Notwithstanding anything to the contrary herein, so long as no Default has occurred and is continuing or would result therefrom, the Borrower may prepay outstanding Loans pursuant to this Section 2.11(a) (any such prepayment, an "Auction Prepayment") on the following basis (the transactions described in this Section 2.11(a)(ii), collectively, the "Auction Prepayment Transactions"):

(A) The Borrower may notify the Administrative Agent and the Lenders (an "Auction Prepayment Notice") that the Borrower desires to prepay the Loans with cash proceeds in an aggregate principal amount specified by the Borrower (which amount shall be not less than \$10,000,000 in the aggregate in each case; each, an "Auction Prepayment Amount") at a price (which shall be within a range (the "Range") to be specified by the Borrower with respect to each Auction Prepayment) equal to a percentage of par (the "Payment Percentage") of the principal amount of the Loans to be prepaid; provided that (I) the aggregate cash amount paid out of pocket by the Borrower for all Auction Prepayments shall not exceed \$125,000,000 during the term of this Agreement (excluding any other voluntary or involuntary prepayments of Loans in accordance with this Agreement, any accrued interest payable in connection with an Auction Prepayment, or any fees payable in connection therewith), (II) other than prepayments required pursuant to the terms of Section 7.04(e), no more than three Auction Prepayment Transactions (counting transactions closing on or about the same date as one transaction) may be consummated, (III) no Borrowings shall be made hereunder with the intent to finance an Auction Prepayment (it being understood that the existence of any borrowed or outstanding Loans at or about the time of any such repurchase, if such Loans were not intended to be used to fund any Auction Prepayment, shall not, in and of itself, mean that such repurchase is being funded with the proceeds of Loans), (IV) automatically and without the necessity of any notice or any other action, all principal and accrued and unpaid interest on the Loans so prepaid shall be deemed to have been paid for all purposes and shall be cancelled and no longer outstanding for all purposes of this Agreement and all other Loan Documents and (V) at the time of delivery of any Auction Prepayment Notice, the Borrower shall furnish to the Administrative Agent and each Lender a certificate signed by a Responsible Officer stating that no Default or Event of Default has occurred and is continuing or would result from the proposed Auction Prepayment.

(B) In connection with an Auction Prepayment, the Borrower shall allow each Lender to specify a Payment Percentage (the "Acceptable Payment Percentage") for a principal amount (subject to rounding requirements specified by the Administrative Agent) of Loans at which such Lender is willing to permit such Auction Prepayment (it being understood that no Lender shall be required to specify a Payment Percentage or permit such Auction Prepayment with respect to the Loans held by it). Based on the Acceptable Payment Percentages and principal amounts of Loans specified by Lenders, the applicable Payment Percentage (the "Applicable Payment Percentage") for the Auction Prepayment shall be the lowest Acceptable Payment Percentage at which the Borrower can complete the Auction Prepayment for the applicable Auction Prepayment Amount that is within the applicable Range; provided, that if the offers received from Lenders are insufficient to allow the Borrower to complete the Auction Prepayment for the applicable Auction Prepayment Amount, then the Applicable Payment Percentage shall instead be the highest Acceptable Payment Percentage that is within the applicable Range. The Borrower shall prepay Loans (or the respective portions thereof) offered by Lenders at the Acceptable Payment Percentages specified by each such Lender that are equal to or less than the Applicable Payment Percentage ("Qualifying Loans") by remitting an amount to each Lender to be prepaid equal to the product of the face amount, or par, of the Loan being prepaid multiplied by the Applicable Payment Percentage; provided that if the aggregate cash proceeds required to prepay Qualifying Loans (disregarding any interest payable under Section 2.11(a)(ii)(C) or any fees payable in connection therewith) would exceed the applicable Auction

Prepayment Amount for such Auction Prepayment, the Borrower shall prepay such Qualifying Loans at the Applicable Payment Percentage ratably based on the respective principal amounts of such Qualifying Loans (subject to rounding requirements specified by the Administrative Agent).

(C) All Loans prepaid by the Borrower pursuant to this Section 2.11(a)(ii) shall be accompanied by payment of accrued and unpaid interest on the par principal amount so prepaid to, but not including, the date of prepayment.

(D) All Loans prepaid by the Borrower pursuant to this Section 2.11(a)(ii) shall result in a concurrent permanent reduction of the related Commitments at par in accordance with Section 2.09(b).

(E) Each Auction Prepayment shall be consummated pursuant to procedures (including as to timing, rounding and minimum amounts, Type and Interest Periods of accepted Loans, irrevocability of Auction Prepayment Notice and other notices by the Borrower and Lenders and determination of Applicable Payment Percentage) established by [an auction agent \(which may be the Administrative Agent or any other financial institution or advisor agreed to by the Borrower and the Administrative Agent \(whether or not an affiliate of the Administrative Agent\)\)](#) in consultation with the Borrower.

(b) Mandatory Prepayments Due to Currency Fluctuations. On each Quarterly Date and promptly upon the receipt by the Administrative Agent of a Currency Valuation Notice (as defined below), the Administrative Agent shall determine the Dollar Equivalent of the Aggregate Revolving Credit Exposure to the extent there shall be any Loans or Letters of Credit denominated in any Foreign Currency at such time. For the purpose of this determination, (1) the outstanding principal amount of any Loan that is denominated in any Foreign Currency shall be deemed to be the Dollar Equivalent of the amount in the Foreign Currency of such Loan and (2) the LC Obligations with respect to any Letter of Credit that is denominated in any Foreign Currency shall be deemed to be the Dollar Equivalent of the amount of such LC Obligations in the Foreign Currency of such Letter of Credit, determined in each case as of such Quarterly Date or, in the case of a Currency Valuation Notice received by the Administrative Agent prior to 11:00 a.m., London time, on a Business Day, on such Business Day or, in the case of a Currency Valuation Notice otherwise received, on the first Business Day after such Currency Valuation Notice is received. Upon making such determination, the Administrative Agent shall promptly notify the Lenders and the Borrower thereof. If, on the date of such determination, the aggregate outstanding principal amount of the Loans denominated in Foreign Currencies exceeds 105% of the Aggregate Foreign Currency Sublimit Dollar Amount, the Aggregate LC Exposure exceeds 105% of the Aggregate Letter of Credit Sublimit Amount or the Aggregate Revolving Credit Exposure exceeds the Aggregate Commitment, the Borrower shall, if requested by the Required Lenders (through the Administrative Agent), (i) prepay, without premium, penalty or any reduction in the Commitments, the Loans in such amounts as shall be necessary so that after giving effect thereto the aggregate outstanding principal amount of the Loans does not exceed the Aggregate Foreign Currency Sublimit Dollar Amount, (ii) ~~cash collateralize~~[Cash Collateralize](#) Letters of Credit in accordance with Section 2.04(k) in an amount as shall be necessary so that after giving effect thereto the Aggregate LC Exposure minus the amount of such cash collateral does not exceed the Aggregate Letter of Credit Sublimit Amount or (iii) prepay, without premium, penalty or any reduction in the Commitments, the Loans and/or ~~cash collateralize~~[Cash Collateralize](#) Letters of Credit in accordance with Section 2.04(k) in an amount equal to the LC Obligations desired to be ~~cash collateralized~~[Cash Collateralized](#) such that the Aggregate Revolving Credit Exposure minus the Aggregate LC Exposure so ~~cash collateralized~~[Cash Collateralized](#) does not exceed the Aggregate Commitment, as applicable; provided that, if a Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.16. For purposes hereof, “Currency Valuation Notice” means a notice given by the Required Lenders to the Administrative Agent stating that such notice is a “Currency Valuation Notice” and requesting that the Administrative Agent determine the Dollar Equivalent of the Aggregate Revolving Credit

Exposure. The Administrative Agent shall not be required to make more than one valuation determination pursuant to Currency Valuation Notices within any rolling three month period.

(c) Notices, Etc. The Borrower shall notify the Administrative Agent by telephone (confirmed by telecopy) of any prepayment hereunder (i) in the case of prepayment of a Eurocurrency Borrowing, not later than 12:00 noon, New York City time (or, in the case of a Borrowing denominated in a Foreign Currency, 11:00 a.m., London time), three Business Days before the date of prepayment or (ii) in the case of prepayment of an ABR Borrowing, not later than 12:00 noon, New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date, the principal amount of each Borrowing or portion thereof to be prepaid and, in the case of a mandatory prepayment, a reasonably detailed calculation of the amount of such prepayment; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.09, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.09. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.13 and shall be made in the manner specified in Section 2.10(b).

SECTION 2.12 Fees.

(a) Commitment Fee. The Borrower agrees to pay to the Administrative Agent for account of each Lender a commitment fee, which shall accrue at the Applicable Rate on the average daily amount of the Available Commitment of such Lender during the period from and including the Third Restatement Effective Date to but excluding the earlier of the date such Commitment terminates and the Commitment Termination Date (or, with respect to any Extended Commitments, the termination date in respect thereof). Accrued commitment fees shall be payable on each Quarterly Date (and, with respect to accrued and unpaid commitment fees up to but excluding the Fifth Amendment Effective Date, the Fifth Amendment Effective Date) and on the earlier of the date the Commitments terminate and the Final Commitment Termination Date, commencing on the first such date to occur after the ~~date hereof~~ Third Restatement Effective Date. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). For purposes of computing commitment fees, the Commitment of a Lender shall be deemed to be used to the extent of the outstanding Loans and LC Exposure of such Lender.

(b) Letter of Credit Fees. The Borrower agrees to pay (i) to the Administrative Agent for account of each Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at a rate per annum equal to the Applicable Rate applicable to interest on Eurocurrency Loans on the average daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Third Restatement Effective Date to but excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) to the Issuing Lenders a fronting fee, which shall accrue at the rate of 0.125% per annum on the average daily amount of the Aggregate LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Third Restatement Effective Date to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any LC Obligations (provided that such fronting fee shall in no event be less than \$250 per annum for each Letter of Credit), as well as each Issuing Lender's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including each Quarterly Date shall be payable on the third Business Day following such Quarterly Date, commencing on the first such date to occur after the Third Restatement Effective Date, and, with respect to accrued and unpaid fronting fees and participation fees up to but excluding the Fifth Amendment Effective Date, the Fifth Amendment Effective Date; provided that all such fees shall be payable in respect of any Commitments on the date on which such

Commitments terminate and any such fees accruing in respect of such Commitments after the date on which such Commitments terminate shall be payable on demand. Any other fees payable to any Issuing Lender pursuant to this paragraph shall be payable within 10 days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) Administrative Agent Fees. The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(d) Payment of Fees. All fees payable hereunder shall be paid on the dates due, in Dollars and immediately available funds, to the Administrative Agent (or to any Issuing Lender, in the case of fees payable to it) for distribution, in the case of facility fees and participation fees, to the Lenders entitled thereto. Fees paid shall not be refundable under any circumstances.

SECTION 2.13 Interest.

(a) ABR Loans. The Loans comprising each ABR Borrowing shall bear interest at a rate per annum equal to the Alternate Base Rate plus the Applicable Rate.

(b) Eurocurrency Loans. The Loans comprising each Eurocurrency Borrowing shall bear interest at a rate per annum equal to the Eurocurrency Rate for the Interest Period for such Borrowing plus the Applicable Rate.

(c) Default Interest. Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration, by mandatory prepayment or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided above or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(d) Payment of Interest. Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and upon termination of the Commitments; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Loan prior to the Commitment Termination Date), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurocurrency Borrowing denominated in Dollars prior to the end of the Interest Period therefor, accrued interest on such Borrowing shall be payable on the effective date of such conversion.

(e) Computation. All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate ~~at times~~ (including when the Alternate Base Rate is ~~based on the Prime~~ determined by reference to the Eurocurrency Rate) or with respect to any Loans denominated in English Pounds Sterling shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate or Eurocurrency Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.14 Inability to Determine Interest Rate. ~~If prior to the commencement of the Interest Period for any Eurocurrency Borrowing in any Currency:~~

(a) If in connection with any request for a Eurocurrency Loan or a conversion to or continuation thereof, (i) the Administrative Agent determines in its reasonable discretion that (A) Dollar deposits are not being offered to banks in the London interbank market for the applicable amount and Interest Period of such Eurocurrency Loan, or (B) (x) adequate and reasonable means do not exist for determining the Eurocurrency Rate for any requested Interest Period with respect to a proposed Eurocurrency Loan or in connection with an existing or proposed ABR Loan and (y) the circumstances described in Section 2.14(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 Eurocurrency Rate for any requested Interest Period with respect to a proposed Eurocurrency Loan does not adequately and fairly reflect the cost to such Lenders of funding such Eurocurrency Loan, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurocurrency Loans shall be suspended, (to the extent of the affected Eurocurrency Loans or Interest Periods), and (y) in the event of a determination described in the preceding sentence with respect to the Eurocurrency Rate component of the Alternate Base Rate, the utilization of the Eurocurrency Rate component in determining the Alternate 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 Section 2.14(a), until the Administrative Agent upon instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurocurrency Loans (to the extent of the affected Eurocurrency Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of ABR Loans in the amount specified therein.

(b) Notwithstanding the foregoing, if the Administrative Agent has made the determination described in clause (i) of Section 2.14(a), the Administrative Agent, in consultation with the Borrower, 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 the first sentence of Section 2.14(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) ~~(+)~~ Notwithstanding anything to the contrary in this Agreement or any other Loan Documents, if the Administrative Agent determines (which determination shall be conclusive absent manifest error) ~~that adequate and reasonable means do not exist for ascertaining the Eurocurrency Base Rate or the Eurocurrency Rate, as applicable, for such Eurocurrency Borrowing in such Currency for such Interest Period; or, 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 requested Interest Period, including, without limitation, because the LIBOR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii) the ~~Administrative Agent receives notice from the Required Lenders that the Eurocurrency Base Rate or the Eurocurrency Rate, as applicable, determined or to be determined with respect to such Eurocurrency Borrowing in such Currency for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their respective Loans included in such Borrowing for such Interest Period; administrator of the LIBOR Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date~~

after which LIBOR or the LIBOR Screen Rate shall no longer be made available, or used for determining the interest rate of loans (such specific date, the “Scheduled Unavailability Date”), or

(iii) syndicated loans currently being executed, or that include language similar to that contained in this Section 2.14, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace LIBOR,

~~then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or the continuation of any Borrowing as, a Eurocurrency Borrowing denominated in such Currency shall be ineffective and, if such Currency is Dollars, such Borrowing (unless prepaid) shall be continued as, or converted to, an ABR Borrowing, (ii) if such Currency is Dollars and any Borrowing Request requests a Eurocurrency Borrowing denominated in Dollars, such Borrowing shall be made as an ABR Borrowing and (iii) if such Currency is a Foreign Currency, any Borrowing Request that requests a Eurocurrency Borrowing denominated in the such Currency shall be ineffective,~~ reasonably promptly after such determination by the Administrative Agent or receipt by the Administrative Agent of such notice, as applicable, the Administrative Agent and the Borrower may amend this Agreement to replace LIBOR with an alternate benchmark rate (including any mathematical or other adjustments to the benchmark (if any) incorporated therein), giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated syndicated credit facilities for such alternative benchmarks (any such proposed rate, a “LIBOR Successor Rate”), together with any proposed LIBOR Successor Rate Conforming Changes (as defined below) and any such amendment shall become effective at 5:00 p.m., New York City time, on the fifth Business Day after the Administrative Agent shall have posted such proposed amendment to 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 do not accept such amendment. Such 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.

If no LIBOR Successor Rate has been determined and the circumstances under clause (i) above exist or the Scheduled Unavailability Date has occurred (as applicable), the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurocurrency Loans shall be suspended (to the extent of the affected Eurocurrency Loans or Interest Periods), and (y) the Eurocurrency Rate component shall no longer be utilized in determining the Alternate Base Rate. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurocurrency Loans (to the extent of the affected Eurocurrency Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of ABR Loans (subject to the foregoing clause (y)) in the amount specified therein.

Notwithstanding anything else herein, any definition of LIBOR Successor Rate shall provide that in no event shall such LIBOR Successor Rate be less than zero for purposes of this Agreement.

For purposes hereof, “LIBOR Successor Rate Conforming Changes” means, with respect to any proposed LIBOR Successor Rate, any conforming changes to the definition of Alternate Base Rate, Interest Period, timing and frequency of determining rates and making payments of interest and other administrative matters as may be appropriate, in the reasonable discretion of the Administrative Agent in consultation with the Borrower, to reflect the adoption 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 reasonably 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).

SECTION 2.15 Increased Costs.

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

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Eurocurrency Rate) or any Issuing Lender;

(ii) subject any Lender or any Issuing Lender to any Taxes (other than Indemnified Taxes, Excluded Taxes and Other Taxes) on its Loans, Loan principal, any Letter of Credit, Commitments, Obligations, deposits, reserves, liabilities, or any capital attributable thereto; or

(iii) impose on any Lender or any Issuing Lender or the London interbank market any other condition affecting this Agreement or Eurocurrency 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 Lenders of making or maintaining any Eurocurrency Loan, or any Loan in the case of clause (iii) above (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or such Issuing Lender of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender or such Issuing Lender hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender or such Issuing Lender, as the case may be, in Dollars, such additional amount or amounts as will compensate such Lender or such Issuing Lender, as the case may be, for such additional costs incurred or reduction suffered.

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

(c) Changes in Law. Notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements or directives thereunder or issued in connection therewith or in implementation thereof and (ii) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or by United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a Change in Law, regardless of the date enacted, adopted or issued.

(d) Certificates from Lenders. A certificate of a Lender or an Issuing Lender setting forth the amount or amounts, in Dollars, necessary to compensate such Lender or such Issuing Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender or such Issuing Lender, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(e) Delay in Requests. Failure or delay on the part of any Lender or any Issuing Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or such Issuing Lender's right

to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or an Issuing Lender pursuant to this Section for any increased costs or reductions incurred more than 270 days prior to the date that such Lender or such Issuing Lender, 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 such Issuing Lender's intention to claim compensation therefor; provided, further, that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.16 Break Funding Payments. In the event of (a) the payment of any principal of any Eurocurrency Loan other than on the last day of an Interest Period therefor (including as a result of an Event of Default), (b) the conversion of any Eurocurrency Loan other than on the last day of an Interest Period therefor, (c) the failure to borrow, convert, continue or prepay any Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice is permitted to be revocable under Section 2.11(~~c~~) and is revoked in accordance herewith), or (d) the assignment as a result of a request by the Borrower pursuant to Section 2.19(b) of any Eurocurrency Loan other than on the last day of an Interest Period therefor, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurocurrency Loan, the loss to any Lender attributable to any such event shall be deemed to include an amount determined by such Lender to be equal to the excess, if any, of (i) the amount of interest that such Lender would pay for a deposit equal to the principal amount of such Loan denominated in the Currency of such Loan for the period from the date of such payment, conversion, failure or assignment to the last day of the then current Interest Period for such Loan (or, in the case of a failure to borrow, convert or continue, the duration of the Interest Period that would have resulted from such borrowing, conversion or continuation) if the interest rate payable on such deposit were equal to the Eurocurrency Rate for such Currency for such Interest Period, over (ii) the amount of interest that such Lender would earn on such principal amount for such period if such Lender were to invest such principal amount for such period at the interest rate that would be bid by such Lender (or an affiliate of such Lender) for deposits denominated in such Currency from other banks in the eurocurrency market at the commencement of such period. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

SECTION 2.17 Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party hereunder or under any other Loan Document shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that, if any such Indemnified Taxes or Other Taxes are required to be withheld or deducted from any amounts payable to the Administrative Agent or any Lender or any Issuing Lender, as determined in good faith by the applicable withholding agent, then (i) the sum payable by such Loan Party shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent, Lender or Issuing Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made and (ii) if such Indemnified Taxes or Other Taxes are required to be withheld or deducted by a Loan Party, such Loan Party shall make such deductions and shall pay the full amount deducted to the relevant Governmental Authority in accordance with ~~applicable law~~ Applicable Law.

(b) Payment of Other Taxes by the Borrowers. In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with ~~applicable law~~ Applicable Law.

(c) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent, each Lender and each Issuing Lender, within 10 days after written 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) paid by the Administrative Agent, such Lender or such Issuing Lender, 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. A certificate as to the amount of such payment or liability together with a copy of a receipt or other evidence of payments delivered to the Borrower by a Lender or an Issuing Lender, or by the Administrative Agent on its own behalf or on behalf of a Lender or an Issuing Lender, shall be conclusive absent manifest error.

(d) ~~Indemnification by the Lenders. Each Lender shall indemnify the Administrative Agent for the full amount of any Taxes that are attributable to such Lender and that are payable or paid by the Administrative Agent, together with all interest, penalties, reasonable costs and expenses arising therefrom or with respect thereto, as determined by the Administrative Agent in good faith. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error.~~ [Reserved].

(e) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by any Loan Party to a Governmental Authority, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(f) Status of Lenders. Any Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement, shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by ~~applicable law~~ Applicable Law or reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by ~~applicable law~~ Applicable Law as will permit such payments to be made without withholding or at a reduced rate; provided that with regard to non-U.S. withholding taxes, in such Lender's judgment such completion, execution or submission would not subject such Lender to a material unreimbursed cost or materially prejudice the legal or commercial position of such Lender. Notwithstanding any other provision of this paragraph, a Lender shall not be required to deliver any documentation pursuant to this paragraph that such Lender is not legally able to deliver.

Without limiting the generality of the foregoing, any Lender that is not a "United States person" as defined in Section 7701(a)(30) of the Code (a "Non-U.S. Lender") 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 Non-U.S. Lender becomes a Lender under this Agreement or under an Assignment and Assumption (and from time to time thereafter upon the request of the Borrower or the Administrative Agent, but only if such Non-U.S. Lender is legally entitled to do so), whichever of the following is applicable:

(i) duly completed copies of Internal Revenue Service Form W-8BEN or Form W-8BEN-E (or successor form) claiming eligibility for benefits of an income tax treaty to which the United States of America is a party,

(ii) duly completed copies of Internal Revenue Service Form W-8ECI,

(iii) in the case of a Non-U.S. Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit D (a "U.S. Tax Certificate") to the effect that such Non-U.S. Lender is not (A) a "bank" within the meaning of Section 881(c)(3) (A) of the Code, (B) a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, (C) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the

Code or (D) conducting a trade or business in the United States with which the relevant interest payments are effectively connected and (y) duly completed copies of Internal Revenue Service Form W-8BEN or Form W-8BEN-E (or successor form),

(iv) in the case of a Non-U.S. Lender that is not the beneficial owner of payments made under any Loan Document (including a partnership or a participating Lender) (A) an Internal Revenue Service Form W-8IMY on behalf of itself and (2) the relevant forms prescribed in clauses (i), (ii), (iii) and (v) of this paragraph (f) that would be required of each such beneficial owner or partner of such partnership if such beneficial owner or partner were a Lender; provided, however, that if the Lender is a partnership and one or more of its partners are claiming the exemption for portfolio interest under Section 881(c) of the Code, such Lender may provide a U.S. Tax Certificate on behalf of such partners, or

(v) any other form prescribed by ~~applicable law~~ [Applicable Law](#) as a basis for claiming exemption from or a reduction in United States of America Federal withholding tax duly completed together with such supplementary documentation as may be prescribed by ~~applicable law~~ [Applicable Law](#) to permit the Borrower and the Administrative Agent to determine the withholding or deduction required to be made.

Any Lender that is a “United States person” as defined in Section 7701(a)(30) of the Code shall deliver to Borrower and the Administrative Agent duly completed copies of Internal Revenue Service Form W-9 (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Lender becomes a Lender under this Agreement or under an Assignment and Assumption (and from time to time thereafter upon the request of the Borrower or the Administrative Agent).

(g) FATCA. If a payment made to a Lender under any Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the 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~~ [Applicable Law](#) (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower or the Administrative Agent to comply with its obligations under FATCA, to determine that such Lender has or has not complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 2.17(g), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

(h) Refunds and Cooperation. If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified by a Loan Party or with respect to which a Loan Party has paid additional amounts pursuant to this Section, it shall pay over such refund to such Loan Party (but only to the extent of indemnity payments made, or additional amounts paid, by such Loan Party under this Section with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that such Loan Party, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to such Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This paragraph (h) shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to any Loan Party or any other Person. Upon the Borrower’s reasonable written request, each Lender shall reasonably cooperate with the Borrower in seeking a refund of Indemnified Taxes or Other Taxes; provided

that such cooperation shall not be required if, in such Lender's sole discretion, it would subject such Lender to any unreimbursed cost or expense or otherwise be disadvantageous to the Lender in any way.

(i) FATCA. For purposes of determining withholding Taxes imposed under FATCA, from and after the Second Restatement Effective Date, the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the Loans as not qualifying as "grandfathered obligations" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

(j) Survival. Each party's obligations under this Section 2.17 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of this Agreement and the payments of the Loans and all other amounts payable hereunder.

SECTION 2.18 Payments Generally; Pro rata Treatment; Sharing of Setoffs.

(a) Payments by the Borrower. The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.15, 2.16 or 2.17, or otherwise) or under any other Loan Document (except to the extent otherwise provided therein) prior to 12:00 noon, Local Time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at the Administrative Agent's Account, except as otherwise expressly provided in the relevant Loan Document and except payments to be made directly to an Issuing Lender as expressly provided herein and payments pursuant to Sections 2.15, 2.16, 2.17 and 10.03, which shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All amounts owing under this Agreement (including commitment fees, payments required under Section 2.15, and payments required under Section 2.16 relating to any Loan denominated in Dollars, but not including principal of, and interest on, any Loan denominated in any Foreign Currency, payments relating to any such Loan required under Section 2.16, which are payable in such Foreign Currency or Reimbursement Obligations, letter of credit fees or interest in respect of any Letter of Credit denominated in a Foreign Currency) or under any other Loan Document (except to the extent otherwise provided therein) are payable in Dollars. Notwithstanding the foregoing, if the Borrower shall fail to pay any principal of any Loan when due (whether at stated maturity, by acceleration, by mandatory prepayment or otherwise), the unpaid portion of such Loan shall, if such Loan is not denominated in Dollars, automatically be redenominated in Dollars on the due date thereof (or, if such due date is a day other than the last day of the Interest Period therefor, on the last day of such Interest Period) in an amount equal to the Dollar Equivalent thereof on the date of such redenomination and such principal shall be payable on demand; and if the Borrower shall fail to pay any interest on any Loan that is not denominated in Dollars, such interest shall automatically be redenominated in Dollars on the due date therefor (or, if such due date is a day other than the last day of the Interest Period therefor, on the last day of such Interest Period) in an amount equal to the Dollar Equivalent thereof on the date of such redenomination and such interest shall be payable on demand.

(b) Application of Insufficient Payments. If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied (i) first, to pay interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, to pay principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties

entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) Pro rata Treatment. Except to the extent otherwise provided herein: (i) each Borrowing shall be made from the Lenders, each payment of commitment fee under Section 2.12 shall be made for account of the Lenders, and each termination or reduction of the amount of the Commitments under Section 2.09 shall be applied to the respective Commitments of the Lenders, pro rata according to the amounts of their respective Commitments; (ii) each Borrowing shall be allocated pro rata among the Lenders according to the amounts of their respective Commitments (in the case of the making of Loans) or their respective Loans that are to be included in such Borrowing (in the case of conversions and continuations of Loans); (iii) each payment or prepayment of principal of Loans by the Borrower shall be made for account of the Lenders pro rata in accordance with the respective unpaid principal amounts of the Loans held by them; and (iv) each payment of interest on Loans by the Borrower shall be made for account of the Lenders pro rata in accordance with the amounts of interest on such Loans then due and payable to the respective Lenders.

(d) Sharing of Payments by Lenders. If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or participations in LC Disbursements resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements and accrued interest thereon then due than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in LC Disbursements; provided that, (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under ~~applicable law~~ 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.

(e) Presumptions of Payment. 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 account of the Lenders or any Issuing Lender hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the applicable Issuing Lender, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the applicable Issuing Lender, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or such Issuing Lender 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 ~~Effective~~ Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(f) Certain Deductions by the Administrative Agent. If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(e), 2.05(b) or 2.18(e), then the Administrative Agent may, in its discretion and notwithstanding any contrary provision hereof, (i) apply any amounts thereafter received by the

Administrative Agent for the account of such Lender for the benefit of the Administrative Agent or any applicable Issuing Lenders to satisfy such Lender's obligations to it under such Section until all such unsatisfied obligations are fully paid and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under any such Section, in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

SECTION 2.19 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 2.15, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for account of any Lender pursuant to Section 2.17, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different ~~lending office~~ Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.17, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 2.15, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for account of any Lender pursuant to Section 2.17, if any Lender does not consent to any proposed amendment, supplement, modification, consent or waiver of any provision of this Agreement or any other Loan Document that requires the consent of each of the Lenders or each of the Lenders affected thereby (so long as the consent of the Required Lenders has been obtained) or if any Lender becomes a Defaulting 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 Section 10.04), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent (and, if a Commitment is being assigned, the Issuing Lenders), which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.17, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

SECTION 2.20 Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender pursuant to Section 2.12(a);

(b) the Commitment and Revolving Credit Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 10.02); provided, that this clause (b) shall not apply to the vote of a Defaulting Lender in the case of an

amendment, waiver or other modification requiring the consent of such Lender or each Lender affected thereby;

(c) if any LC Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of the LC Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Percentages but only to the extent the sum of all non-Defaulting Lenders' Revolving Credit Exposure (after giving effect to such reallocation) does not exceed the total of all non-Defaulting Lenders' Commitments;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall within one Business Day following notice by the Administrative Agent ~~cash collateralize~~, Cash Collateralize for the benefit of the Issuing Lenders only the Borrower's obligations corresponding to such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.04(k) for so long as such LC Exposure is outstanding;

(iii) if the Borrower ~~cash collateralizes~~ Cash Collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.12(b)(i) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is ~~cash collateralized~~ Cash Collateralized;

(iv) if the LC Exposure of such Defaulting Lender is reallocated to the non-Defaulting Lenders pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Section 2.12(a) and Section 2.12(b)(i) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages after giving effect to the reallocation of such Defaulting Lender's LC Exposure pursuant to clause (i) above; and

(v) if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor ~~cash collateralized~~ Cash Collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of any Issuing Lender or any other Lender hereunder, all fees payable under Section 2.12(b)(i) with respect to such Defaulting Lender's LC Exposure shall be payable to the applicable Issuing Lenders until and to the extent that such LC Exposure is reallocated and/or ~~cash collateralized~~ Cash Collateralized; and

(d) so long as such Lender is a Defaulting Lender, no Issuing Lender shall be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding LC Exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrower in accordance with Section 2.20(c), and participating interests in any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.20(c)(i) (and such Defaulting Lender shall not participate therein);

If (i) a Bankruptcy Event or a Bail-In Action with respect to a Lender Parent of any Lender shall occur following the ~~date hereof~~ Third Restatement Effective Date and for so long as such event shall continue or (ii) any Issuing Lender has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, such Issuing Lender shall not be required to issue, amend or increase any Letter of Credit, unless such Issuing Lender shall have entered into arrangements with the Borrower or such Lender, satisfactory to such Issuing Lender to defease any risk to it in respect of such Lender hereunder.

In the event that the Administrative Agent, the Borrower and the Issuing Lenders each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Percentage.

SECTION 2.21 Extensions of Commitments.

(a) Notwithstanding anything to the contrary in this Agreement, pursuant to one or more offers (each, an "Extension Offer") made from time to time by the Borrower to all Lenders holding Commitments with a like termination date on a pro rata basis (based on the aggregate principal amount of the Commitments with a like termination date) and on the same terms to each such Lender, the Borrower is hereby permitted to consummate from time to time transactions with individual Lenders that accept the terms contained in such Extension Offers to extend the termination date of each such Lender's Commitments and otherwise modify the terms of such Commitments pursuant to the terms of the relevant Extension Offer (including by changing the interest rate or fees payable in respect of such Commitments (and related outstandings)) (each, an "Extension," and each group of Commitments, as so extended, as well as the original Commitments (not so extended), being a "tranche"; any Extended Commitments shall constitute a separate tranche of Commitments from the tranche of Commitments from which they were converted), so long as the following terms are satisfied: (i) no Default or Event of Default shall have occurred and be continuing at the time the offering document in respect of an Extension Offer is delivered to the Lenders, (ii) except as to interest rates, fees and final maturity (which shall be determined by the Borrower and set forth in the relevant Extension Offer), the Commitment of any Lender that agrees to an extension with respect to such Commitment extended pursuant to an Extension (an "Extended Commitment"; and the Loans thereunder, "Extended Loans"), and the related outstandings, shall be a Commitment (or related outstandings, as the case may be) with the same terms as the original Commitments (and related outstandings); provided that (x) subject to the provisions of Section 2.04(l) to the extent dealing with Letters of Credit which mature or expire after a termination date when there exist Extended Commitments with a longer termination date, all Letters of Credit shall be participated in on a pro rata basis by all Lenders with Commitments in accordance with their Applicable Percentages (and except as provided in Section 2.04(l), without giving effect to changes thereto on an earlier termination date with respect to Letters of Credit theretofore incurred or issued) and all borrowings under Commitments and repayments thereunder shall be made on a pro rata basis (except for (A) payments of interest and fees at different rates on Extended Commitments (and related outstandings), (B) repayments required upon the voluntary termination or reduction of any tranche of non-extending Commitments by the Borrower in accordance with Section 2.09(b) and (C) repayments required upon the termination date of the non-extending Commitments) and (y) at no time shall there be Commitments hereunder (including Extended Commitments, any commitments under any Replacement Facility and any original Commitments) that have more than two different termination dates, (iii) if the aggregate principal amount of Commitments, in respect of which Lenders shall have accepted the relevant Extension Offer shall exceed the maximum aggregate principal amount of Commitments offered to be extended by the Borrower pursuant to such Extension Offer, then the Commitments of such Lenders shall be extended ratably up to such maximum amount based on the respective principal amounts (but not to exceed actual holdings of record) with respect to which such Lenders have accepted such Extension Offer, (iv) all documentation in respect of such Extension shall be consistent with the foregoing and (v) any applicable Minimum Extension Condition shall be satisfied unless waived by the Borrower.

(b) With respect to all Extensions consummated by the Borrower pursuant to this Section, (i) such Extensions shall not constitute voluntary or mandatory payments or prepayments for purposes of Sections 2.09, 2.10, 2.11 or 2.18 and (ii) no Extension Offer is required to be in any minimum amount or any minimum increment; provided that the Borrower may at its election specify as a condition (a "Minimum Extension Condition") to consummating any such Extension that a minimum amount (to be determined and specified in the relevant

Extension Offer in the Borrower's sole discretion and may be waived by the Borrower) of Commitments of any or all applicable tranches be tendered. The Administrative Agent and the Lenders hereby consent to the transactions contemplated by this Section (including, for the avoidance of doubt, payment of any interest or fees in respect of any Extended Commitments on such terms as may be set forth in the relevant Extension Offer) and hereby waive the requirements of any provision of this Agreement (including Sections 2.09, 2.10, 2.11 or 2.18) or any other Loan Document that may otherwise prohibit any such Extension or any other transaction contemplated by this Section.

(c) No consent of any Lender or the Administrative Agent shall be required to effectuate any Extension, other than (A) the consent of each Lender agreeing to such Extension with respect to its Commitments (or a portion thereof) and (B) the consent of each Issuing Lender, which consent shall not be unreasonably withheld or delayed (provided that the consent of an Issuing Lender shall not be required if, after giving effect to such Extension (and any amendments to this Agreement and the other Loan Documents relating thereto), such Issuing Lender shall have no obligation to issue Letters of Credit after the effective date of such Extension). All Extended Commitments and all obligations in respect thereof shall be Obligations under this Agreement and the other Loan Documents that are secured by the Collateral and guaranteed on a pari passu basis with all other applicable Obligations under this Agreement and the other Loan Documents. The Lenders hereby irrevocably authorize the Administrative Agent to enter into amendments to this Agreement and the other Loan Documents with the Borrower as may be necessary in order to establish new tranches or sub-tranches in respect of Commitments so extended and such technical amendments as may be necessary or appropriate in the discretion of the Administrative Agent and the Borrower in connection with the establishment of such new tranches or sub-tranches, in each case on terms consistent with this Section.

(d) In connection with any Extension, the Borrower shall provide the Administrative Agent at least five Business Days' (or such shorter period as may be agreed by the Administrative Agent) prior written notice thereof, and shall agree to such procedures (including regarding timing, rounding and other adjustments and to ensure reasonable administrative management of the credit facilities hereunder after such Extension), if any, as may be established by, or acceptable to, the Administrative Agent, in each case acting reasonably to accomplish the purposes of this Section.

SECTION 2.22 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 Eurocurrency Rate, or to determine or charge interest rates based upon the Eurocurrency 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, then, upon notice thereof by such Lender to the Borrower (through the Administrative Agent), (a) any obligation of such Lender to make or continue Eurocurrency Loans or to convert ABR Loans to Eurocurrency Loans shall be suspended, and (b) if such notice asserts the illegality of such Lender making or maintaining ABR Loans the interest rate on which is determined by reference to the Eurocurrency Rate component of the Alternate Base Rate, the interest rate on which ABR Loans of such Lender shall, if necessary to avoid such illegality, be reasonably determined by the Administrative Agent without reference to the Eurocurrency Rate component of the Alternate 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, (i) the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, at the Borrower's election, if applicable, convert all Eurocurrency Loans of such Lender to ABR Loans (the interest rate on which ABR Loans of such Lender shall, if necessary to avoid such illegality, be reasonably determined by the Administrative Agent without reference to the Eurocurrency Rate component of the Alternate Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurocurrency Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurocurrency Loans and (ii) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Eurocurrency Rate, the Administrative Agent shall during the period of such suspension compute the Alternate Base Rate applicable to such

Lender without reference to the Eurocurrency Rate 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 Eurocurrency Rate. 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 2.16.

ARTICLE III

[RESERVED]

ARTICLE IV REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lenders that:

SECTION 4.01 Organization; Powers. Each Group Member is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

SECTION 4.02 Authorization; Enforceability. The Transactions are within the Borrower's and each other Loan Party's corporate powers and have been duly authorized by all necessary corporate and, if required, by all necessary shareholder action. This Agreement and each of the other Loan Documents have been duly executed and delivered by each Loan Party party thereto and constitutes, or when executed and delivered by such Loan Party will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party in accordance with its terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

SECTION 4.03 Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except for (i) such as have been obtained or made and are in full force and effect and (ii) filings and recordings in respect of the Liens created pursuant to the Security Documents, (b) will not violate in any material respect any Requirement of Law, (c) will not violate in any material respect or result in a material default under any Contractual Obligation upon any Group Member or its assets, or give rise to a right thereunder to require any payment to be made by any such Person, and (d) except for the Liens created pursuant to the Security Documents, will not result in the creation or imposition of any Lien on any asset of any Group Member.

SECTION 4.04 Financial Condition; No Material Adverse Change.

(a) Financial Condition. The Borrower has heretofore furnished to the Lenders its consolidated balance sheet and statements of income, stockholders' equity and cash flows as of and for the fiscal years ended September 30, 2013, September 30, 2014 and September 30, 2015, in each case, reported on by Grant Thornton LLP, and its unaudited consolidated balance sheet and the related unaudited consolidated statements of income, stockholders' equity and cash flows for the three-month period ended December 31, 2015. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Borrower and its Subsidiaries as of such dates and for such periods in accordance with GAAP, subject, in the case of the unaudited financial statements referred to above, to the absence of footnotes and to normal year-end audit adjustments. There are no liabilities of the Borrower or any of its Subsidiaries, fixed or contingent, which are

material in relation to the consolidated financial condition of the Borrower that are not reflected in such financial statements or in the notes thereto, other than liabilities arising in the ordinary course of business since September 30, 2015.

(b) No Material Adverse Change. Since September 30, 2015, there has not occurred any event, development or circumstance that has had or could reasonably be expected to have a Material Adverse Effect.

SECTION 4.05 Properties.

(a) Property Generally. Each Group Member has good title to, or valid leasehold interests in, all its real and personal property material to its business, subject only to Liens permitted by Section 7.02 and except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes.

(b) Intellectual Property. Each Group Member has valid title to all trademarks, tradenames, copyrights, patents and other intellectual property (collectively, "Intellectual Property") purported to be owned by such Group Member, and all license agreements under which such Group Member uses Intellectual Property owned by a third party are valid and enforceable. To the Borrower's knowledge, (x) there is no Intellectual Property that is not either owned by the Group Members or held under a license agreement and that is material to the business as currently conducted and (y) the use by any Group Member of Intellectual Property does not infringe upon the rights of any other Person except, in each case, that which, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 4.06 Litigation and Environmental Matters.

(a) Actions, Suits and Proceedings. There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority now pending against or, to the knowledge of the Borrower, threatened against or affecting any Group Member that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or that involve this Agreement or the Transactions.

(b) 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, no Group Member (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) has actual knowledge, after due inquiry, of any event or circumstance which is reasonably expected to give rise to any Environmental Liability.

SECTION 4.07 Compliance with Laws and Contractual Obligations. Each Group Member is in compliance with all Requirements of Law applicable to it or its property or all Contractual Obligations binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 4.08 Investment Company Status. No Group Member is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 4.09 Taxes. Each Group Member has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) (i) Taxes that are being contested in good faith by appropriate proceedings and for which such Person has set aside on its books adequate reserves in conformity with GAAP or (ii) Taxes that have been accrued under FASB Interpretation No. 48 (codified as Accounting Standards Codification 740-10) ("FIN 48") in conformity 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; no Tax Lien has been filed, and, to the knowledge of the Borrower, no claim is being asserted, with respect to any such Tax, fee or other charge.

SECTION 4.10 ERISA; 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 which have occurred or are reasonably expected to occur, could reasonably be expected to result in liability having a Material Adverse Effect. The present value of all accumulated benefit obligations under each Plan did not, as of the date of the most recent actuarial valuation report required to be prepared under the Code and ERISA reflecting such amounts, exceed by more than \$60,000,000 (calculated on an actuarial valuation basis) the fair market value of the assets of all such underfunded Plans.

(b) Except as could not reasonably be expected to have a Material Adverse Effect, the accrued benefit obligations of each Foreign Plan (based on those assumptions used to fund such Foreign Plan) with respect to all current and former participants do not exceed the assets of such Foreign Plan.

SECTION 4.11 Disclosure. The Borrower has disclosed to the Lenders all agreements, instruments and corporate or other restrictions to which it or any other Group Member is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. None of the reports, financial statements, certificates or other information furnished by or on behalf of the Borrower or any other Group Member to the Administrative Agent or any Lender in connection with the negotiation of this Agreement and the other Loan Documents or delivered hereunder or thereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions that were believed by the Borrower to be reasonable at the time made, it being understood that the actual results may vary from the results projected therein.

SECTION 4.12 Use of Credit. No Group Member is engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying Margin Stock, and no part of the proceeds of any extension of credit hereunder will be used to buy or carry any Margin Stock.

SECTION 4.13 Burdensome Agreements. Except as set forth on Schedule 4.13, to the Borrower's knowledge, no Group Member is a party to or bound by, nor are any of the properties or assets owned by any Group Member used in the conduct of their respective businesses affected by, any agreement, ordinance, resolution, decree, bond, note, indenture, order or judgment, including, without limitation, any of the foregoing relating to any Environmental Liability, that could reasonably be expected to result in a Material Adverse Effect.

SECTION 4.14 Labor Matters. Except as set forth on Schedule 4.14, (a) no collective bargaining agreement or other labor contract to which any Group Member is a signatory will expire during the term of this Agreement, (b) to the Borrower's knowledge, no union or other labor organization is seeking to organize, or to be recognized as bargaining representative for, a bargaining unit of employees of any Group Member, (c) there is no pending or, to the Borrower's knowledge, threatened strike, work stoppage, material unfair labor practice claim or charge, arbitration or other material dispute with any union or other labor organization affecting any Group Member or its union-represented employees, in each case the consequences of which could reasonably be expected to affect aggregate business (regardless of division or entity) of the Group Members which business generated gross revenues in excess of \$50,000,000 individually or in the aggregate in the prior fiscal year, (d) there are no actions, suits, charges, demands, claims, counterclaims or proceedings pending or, to the best of the Borrower's knowledge,

threatened against any Group Member, by or on behalf of, or with, its employees, other than any such actions, suits charges, demands, claims, counterclaims or proceedings arising in the ordinary course of business that could not reasonably be expected to result in a Material Adverse Effect.

SECTION 4.15 Security Documents. The Guarantee and Collateral Agreement is effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral as further described therein and proceeds thereof. In the case of: (i) the Pledged Stock as defined and described in the Guarantee and Collateral Agreement, when stock certificates representing such Pledged Stock are delivered to the Administrative Agent, (ii) other Collateral as further described in Guarantee and Collateral Agreement, when financing statements and other filings specified on Schedule 4.15(a) in appropriate form are filed in the offices specified on Schedule 4.15(a), and, (iii) property acquired after the ~~date hereof~~ Third Restatement Effective Date any other action required pursuant to Section 6.11, the security interest created pursuant to the Guarantee and Collateral Agreement shall constitute valid perfected security interests in such Collateral and the proceeds thereof (to the extent a security interest in such Collateral can be perfected through the filing of such financing statements and the delivery of such Pledged Stock or the taking of such actions required pursuant to Section 6.11), as security for the Obligations (as defined in the Guarantee and Collateral Agreement), in each case prior and superior in right to any other Person (except, in the case of Collateral other than Pledged Stock, Permitted Liens).

SECTION 4.16 Subsidiaries. Except as disclosed to the Administrative Agent by the Borrower in writing from time to time after the ~~Third Restatement~~ Fifth Amendment Effective Date, (a) Schedule 4.16 sets forth the name and jurisdiction of incorporation of each Subsidiary and, as to each such Subsidiary, the percentage of each class of Capital Stock owned by any Loan Party and (b) there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options granted to employees or directors and directors' qualifying shares) of any nature relating to any Capital Stock of the Borrower or any Subsidiary, except as created by the Loan Documents.

SECTION 4.17 Solvency. The Loan Parties (on a consolidated basis) are, on the Third Restatement Effective Date, before and after the consummation of the Transactions to occur on the Third Restatement Effective Date, Solvent.

SECTION 4.18 Senior Notes Indenture. The Borrower has delivered to the Administrative Agent a complete and correct copy of the Senior Notes Indenture, including any amendments, supplements or modifications with respect thereto.

SECTION 4.19 Anti-Corruption Laws and Sanctions. The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents (in each case, in such roles) with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its Subsidiaries and their respective officers and employees, and to the knowledge of the Borrower its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects and are not knowingly engaged in any activity that would reasonably be expected to result in the Borrower being designated as a Sanctioned Person. None of (a) the Borrower, any Subsidiary or to the knowledge of the Borrower or such Subsidiary any of their respective directors, officers or employees, or (b) to the knowledge of the Borrower, any agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Loan or Letter of Credit, use of proceeds or other transaction contemplated by this Agreement will violate any Anti-Corruption Law or applicable Sanctions.

SECTION 4.20 EEA Financial Institutions. No Loan Party is an EEA Financial Institution.

SECTION 4.21 Beneficial Ownership Certificate. As of the Fifth Amendment Effective Date, the information included in the Beneficial Ownership Certification, if applicable, is true and correct in all material respects.

ARTICLE V CONDITIONS

SECTION 5.01 Effective Date. The obligations of the Lenders to make Loans and of the Issuing Lender to issue Letters of Credit under the Original Credit Agreement shall not become effective until the date on which the Administrative Agent shall have received each of the following documents, each of which shall be satisfactory to the Administrative Agent in form and substance (or such condition shall have been waived in accordance with Section 10.02):

- (a) Executed Counterparts. From each party thereto a counterpart of the Original Credit Agreement executed on behalf of the Borrower, the Administrative Agent and each of the lenders party thereto.
- (b) Guarantee and Collateral Agreement. (i) A copy of the Guarantee and Collateral Agreement, executed and delivered by the Borrower and each Subsidiary Guarantor, and (ii) an Acknowledgement and Consent in the form attached to the Guarantee and Collateral Agreement, executed and delivered by each Issuer (as defined therein), if any, that is not a Loan Party.
- (c) Opinions of Counsel to the Group Members. Written opinion (addressed to the Administrative Agent and the Lenders and dated as of the Effective Date) of Dechert LLP, corporate counsel for the Group Members, substantially in the form of Exhibit C to the Original Credit Agreement, and covering such other matters relating to the Group Members, the Original Credit Agreement or the transactions contemplated thereby as the Administrative Agent shall reasonably request (and the Borrower hereby instructs such counsel to deliver such opinion to the Lenders and the Administrative Agent).
- (d) Corporate Documents. Such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Borrower and each other Loan Party, the authorization of the transactions contemplated by the Original Credit Agreement and any other legal matters relating to the Borrower and each other Loan Party, the Original Credit Agreement or the transactions contemplated thereby, all in form and substance satisfactory to the Administrative Agent and its counsel.
- (e) Officer's Certificate. A certificate, dated the Effective Date and signed by a senior executive officer of the Borrower, confirming compliance with the conditions set forth in paragraphs (a) and (b) of the first sentence of Section 5.02.
- (f) Repayment of Amounts under the Existing Credit Agreements. Evidence that the principal of and interest on outstanding loans, and all accrued fees and all other amounts owing, under the Existing Credit Agreements shall have been (or shall be simultaneously) paid in full, the commitments thereunder shall have been (or shall be simultaneously) terminated, all letters of credit issued thereunder shall cease to be outstanding thereunder and all liens created in connection therewith shall have been (or shall be simultaneously) released.
- (g) Lien Searches. The results of a recent lien search in each of the jurisdictions of organization of each of the Loan Parties, and such search shall reveal no liens on any of the assets of any Loan Party except for liens permitted by Section 7.02 or discharged on or prior to the Effective Date pursuant to documentation reasonably satisfactory to the Administrative Agent.

(h) Pledged Stock; Stock Powers; Pledged Notes. (i) The certificates representing the shares of Capital Stock pledged pursuant to the Guarantee and Collateral Agreement, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof and (ii) each promissory note (if any) pledged to the Administrative Agent pursuant to the Guarantee and Collateral Agreement endorsed (without recourse) in blank (or accompanied by an executed transfer form in blank) by the pledgor thereof.

(i) Filings, Registrations and Recordings. Evidence that each document (including any Uniform Commercial Code financing statement) required by the Security Documents or under law or reasonably requested by the Administrative Agent to be filed, registered or recorded in order to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a perfected Lien on the Collateral described therein, prior and superior in right to any other Person (other than Permitted Liens), shall be in proper form for filing, registration or recordation.

(j) Mortgages.

(i) Counterparts of a Mortgage with respect to each Mortgaged Property duly executed and delivered by the record owner of such Mortgaged Property;

(ii) a policy or policies of title insurance issued (or marked-up title insurance commitments having the effect of policies of title insurance) by a nationally recognized title insurance company insuring the Lien of each Mortgage as a valid and enforceable first-priority Lien on the Mortgaged Property described therein, free of any other Liens other than Permitted Liens, together with such endorsements, coinsurance and reinsurance as the Administrative Agent may reasonably request and in amounts not in excess of the amounts set forth in the policies of title insurance delivered in connection with the Existing Mortgages;

(iii) (A) a "Life-of-Loan" Federal Emergency Management Agency Standard Flood Hazard Determination with respect to such Mortgaged Property (together with a notice about special flood hazard area status and flood disaster assistance duly executed by the Borrower or the applicable Loan Party in the event any such Mortgaged Property is located in a special flood hazard area) and (B) if any portion of such Mortgaged Property is located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a Special Flood Hazard Area with respect to which flood insurance has been made available under the National Flood Insurance Act of 1968 (now or as hereafter in effect or any successor act thereto), (1) flood insurance with a financially sound and reputable insurer, in an amount and otherwise sufficient to comply with all applicable rules and regulations promulgated pursuant to (a) the National Flood Insurance Act of 1968 as now or hereafter in effect or any successor statute thereto, (b) the Flood Disaster Protection Act of 1973 as now or hereafter in effect or any successor statute thereto, (c) the National Flood Insurance Reform Act of 1994 as now or hereafter in effect or any successor statute thereto and (d) the Flood Insurance Reform Act of 2004 as now or hereafter in effect or any successor statute thereto and (2) evidence of such insurance in form and substance reasonably acceptable to the Administrative Agent; and

(iv) such surveys, abstracts, appraisals, legal opinions and other documents (including an opinion of counsel (which shall be reasonably satisfactory to the Administrative Agent) in each state in which Mortgaged Property is located with respect to the enforceability of the form(s) of Mortgages to be recorded in such state and an opinion of counsel in the state in which such Loan Party is organized and such other matters as the Administrative Agent may reasonably request, in each case in form and substance reasonably satisfactory to the Administrative Agent) as the Administrative Agent may reasonably request with respect to any such Mortgage or Mortgaged Property; provided that the surveys delivered in

connection with the Existing Mortgages shall be deemed reasonably satisfactory to the Administrative Agent for purposes of this Section;

provided that if, notwithstanding the use by the Loan Parties of commercially reasonable efforts to cause the requirements of this Section 5.01(j) to be satisfied on the Effective Date, the requirements thereof are not satisfied as of the Effective Date, the satisfaction of such requirements shall not be a condition to the Effective Date or the availability of the Loans, but shall be required to be satisfied as promptly as practicable after the Effective Date and in any event within the period specified therefor in Section 6.12 of the Original Credit Agreement.

(k) Notes Issuance. Evidence that the Borrower shall have received \$550,000,000 aggregate cash proceeds from the issuance of the 7.125% Senior Unsecured Notes of the Borrower issued on March 17, 2011.

The obligation of each Lender to make its initial extension of credit under the Original Credit Agreement is also subject to the payment by the Borrower of such fees and expenses as the Borrower shall have agreed to pay to any Lender, the Administrative Agent or the Arranger in connection therewith, including the reasonable fees and expenses of Simpson Thacher & Bartlett LLP, legal counsel to JPMCB, in connection with the negotiation, preparation, execution and delivery of the Original Agreement and the other Loan Documents (as defined in the Original Credit Agreement) (to the extent that written statements for such fees and expenses have been delivered to the Borrower).

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans and of the Issuing Lender to issue Letters of Credit under the Original Credit Agreement shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 10.02) at or prior to 5:00 p.m., New York City time, on June 30, 2011.

SECTION 5.02 Each Credit Event. The obligation of each Lender to make any Loan, and of each Issuing Lender to issue, amend, renew or extend any Letter of Credit, is additionally subject to the satisfaction of the following conditions:

(a) the representations and warranties of the Borrower set forth in this Agreement, and of each Loan Party in each of the Loan Documents to which it is a party, shall be true and correct in all material respects on and as of the date of such Loan or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable; provided that any representation and warranty that expressly relates to a given date shall be true and correct in all material respects as of such given date; and

(b) at the time of and immediately after giving effect to such Loan or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default shall have occurred and be continuing.

Each Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of the immediately preceding sentence.

SECTION 5.03 Third Restatement Effective Date. The obligations of the Lenders to make Loans and of the Issuing Lenders to issue Letters of Credit hereunder shall not become effective until the date on which the Administrative Agent shall have received each of the following documents, each of which shall be satisfactory to the Administrative Agent in form and substance (or such condition shall have been waived in accordance with Section 10.02):

(a) Executed Counterparts. From each party hereto a counterpart of this Agreement executed on behalf of the Borrower, the Administrative Agent and each of the Lenders (which Lenders shall constitute Required Lenders (as defined in the Previous Credit Agreement); it being understood that so long as Lenders constituting the Required Lenders (as defined in the Previous Credit Agreement) have executed and delivered this Agreement, any Existing Lender that is not a Lender under this Agreement shall be deemed to have been replaced under Section 2.19(b) of the Previous Credit Agreement by the Lenders hereunder).

(b) Reaffirmation Agreement. A reaffirmation agreement, executed and delivered by the Borrower and each Subsidiary Guarantor, reaffirming its obligations with respect to each Security Document.

(c) Opinion of Counsel to the Group Members. Written opinion (addressed to the Administrative Agent and the Lenders and dated as of the Third Restatement Effective Date) of Dechert LLP, corporate counsel for the Group Members, and covering such matters relating to the Group Members and this Agreement as the Administrative Agent shall reasonably request (and the Borrower hereby instructs such counsel to deliver such opinion to the Lenders and the Administrative Agent).

(d) Corporate Documents. Such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Borrower and each other Loan Party, the authorization of the Transactions and any other legal matters relating to the Borrower and each other Loan Party, this Agreement or the Transactions, all in form and substance satisfactory to the Administrative Agent and its counsel.

(e) Officer's Certificate. A certificate, dated the Third Restatement Effective Date and signed by a senior executive officer of the Borrower, confirming compliance with the conditions set forth in paragraphs (a) and (b) of the first sentence of Section 5.02.

(f) Replacement of Commitments under the Previous Credit Agreement. The "Commitments" under the Previous Credit Agreement shall have been replaced with the Commitments hereunder and the Existing Loans shall have been repaid (together with accrued interest thereon).

(g) Lien Searches. The results of a recent lien search in each of the jurisdictions of organization of each of the Loan Parties, and such search shall reveal no liens on any of the assets of any Loan Party except for liens permitted by Section 7.02 or discharged on or prior to the Third Restatement Effective Date pursuant to documentation reasonably satisfactory to the Administrative Agent.

(h) Financials. The financial statements described in Section 4.04.

The obligation of each Lender to make its initial extension of credit hereunder is also subject to the payment by the Borrower of such fees and expenses as the Borrower shall have agreed to pay to any Lender, the Administrative Agent or the Arranger in connection herewith, including the reasonable fees and expenses of Simpson Thacher & Bartlett LLP, legal counsel to JPMCB, in connection with the negotiation, preparation, execution and delivery of this Agreement and the other Loan Documents (to the extent that written statements for such fees and expenses have been delivered to the Borrower).

The Administrative Agent shall notify the Borrower and the Lenders of the Third Restatement Effective Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans and of the Issuing Lenders to issue Letters of Credit hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 10.02) at or prior to 5:00 p.m., New York City time, on March 31, 2016.

ARTICLE VI
AFFIRMATIVE COVENANTS

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated and all LC Disbursements shall have been reimbursed, the Borrower covenants and agrees with the Lenders that:

SECTION 6.01 Financial Statements and Other Information. The Borrower will furnish to the Administrative Agent and each Lender:

(a) on the date that is the earliest of (i) the date on which the same shall have been filed with the SEC, (ii) the date the same are required to be filed with the SEC (without regard to any extension of the SEC's filing requirements) and (iii) the day which is 120 days after the end of each fiscal year of the Borrower, (x) the audited consolidated balance sheet and related statements of income, stockholders' equity and cash flows of the Borrower and its Subsidiaries as of the end of and for such year, setting forth in each case the consolidated financial statements, in comparative form the figures for the previous fiscal year, all reported on by Grant Thornton LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP and (y) the financial information of the Subsidiary Guarantors that would be required pursuant to Rule 3-10 of Regulation S-X if the Loans were publicly traded Indebtedness;

(b) on the date that is the earliest of (i) the date on which the same shall have been filed with the SEC, (ii) the date the same are required to be filed with the SEC (without regard to any extension of the SEC's filing requirements) and (iii) the day which is 60 days after the end of each of the first three quarterly periods of each fiscal year of the Borrower, (x) the consolidated balance sheets and related consolidated statements of income and cash flows of the Borrower and its Subsidiaries as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for (or, in the case of the balance sheet, as of the end of) the corresponding period or periods of the previous fiscal year, all certified by a Financial Officer of the Borrower as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its Subsidiaries on a consolidated and consolidating basis in accordance with GAAP, subject to normal yearend audit adjustments and the absence of footnotes and (y) the financial information of the Subsidiary Guarantors that would be required pursuant to Rule 3-10 of Regulation S-X if the Loans were publicly traded Indebtedness;

(c) concurrently with any delivery of financial statements under paragraph (a) or (b) of this Section, a certificate of a Financial Officer of the Borrower (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Sections 7.01, 7.06, 7.11 and 7.12, (iii) certifying as to whether since the date of the last such certificate (or, in the case of the first such certificate after the Effective Date, the Effective Date) a Permitted Acquisition has occurred for which any Group Member incurred Indebtedness permitted under this Agreement to finance at least 35% of the consideration therefor, and if so, the date of such Permitted Acquisition and (iv) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 4.04 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(d) concurrently with any delivery of financial statements under paragraph (a) of this Section, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Event of Default arising as a result of noncompliance with Article VII, including Section 7.11 (which certificate may be limited to the extent required by accounting rules or guidelines);

(e) promptly upon receipt thereof, copies of all other reports submitted to the Borrower by its independent certified public accountants in connection with any annual or interim audit or review of the books of the Borrower made by such accountants;

(f) annually, as soon as available, but in any event within 120 days after the last day of each fiscal year of the Borrower, consolidated and consolidating projections of the Borrower and its Subsidiaries for the following five fiscal years of the Borrower;

(g) promptly following receipt thereof, copies of any documents described in Sections 101(f), 101(k) or 101(l) of ERISA that any Group Member or any ERISA Affiliate may request or receive, as applicable, with respect to any Multiemployer Plan; provided, that if neither any Group Member nor any of their ERISA Affiliates have requested or received, as applicable, such documents or notices from the administrator or sponsor of the applicable Multiemployer Plan, then, upon reasonable written request of the Administrative Agent, one of the Group Members and/or such ERISA Affiliates shall promptly make a request for such documents or notices from such administrator or sponsor and the Borrower shall provide copies of such documents and notices to the Administrative Agent promptly after receipt thereof;

(h) as soon as reasonably practicable following a written request therefor, and no more frequently than once every twelve (12) months, copies of the most recently furnished plan funding notice described in Section 101(f) of ERISA with respect to any Plan;

(i) if applicable, promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by any Group Member with the SEC, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, or distributed by the Borrower to its shareholders generally, as the case may be; ~~and~~

(j) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of any Group Member, or compliance with the terms of this Agreement and the other Loan Documents, as the Administrative Agent or any Lender may reasonably request; and

(k) promptly following any request therefor, information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the PATRIOT Act and the Beneficial Ownership Regulation.

Documents required to be delivered pursuant to Sections 6.01(a), (b) or, if applicable (i) (to the extent any such documents are included in materials otherwise filed with the SEC) shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents or provides a link thereto on the Borrower's website or (ii) on which such documents are posted on the Borrower's behalf on Intralinks/IntraAgency or another relevant 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 the Borrower shall notify the Administrative Agent (by telecopier or electronic mail) of the posting of any such documents and provide the Administrative Agent with electronic mail versions of such documents.

The Borrower hereby acknowledges that (a) the Administrative Agent and/or the Arrangers may, but shall not be obligated to, make available to the Lenders and the Issuing Lenders materials and/or information provided by or on

behalf of the Borrower hereunder (collectively, “Borrower Materials”) by posting the Borrower Materials on IntraLinks, Syndtrak, ClearPar, or a substantially similar electronic transmission 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 the Borrower or 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 Borrower hereby agrees that it will use commercially reasonable efforts to identify that portion of the Borrower Materials that may be distributed to the Public Lenders and that (w) all such Borrower Materials 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 Borrower shall be deemed to have authorized the Administrative Agent, the Arrangers, the Issuing Lenders and the Lenders to treat such Borrower Materials as not containing any material non-public information (although it may be sensitive and proprietary) with respect to the Borrower or its 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 10.13); (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 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.” Notwithstanding the foregoing, the Borrower shall be under no obligation to mark any Borrower Materials “PUBLIC”.

SECTION 6.02 Notices of Material Events. The Borrower will furnish to the Administrative Agent and each Lender prompt written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any of its Affiliates, other than disputes in the ordinary course of business or, whether or not in the ordinary of business, disputes involving amounts exceeding \$40,000,000 (excluding, however, any actions relating to workers’ compensation claims or negligence claims relating to use of motor vehicles, if fully covered by insurance, subject to deductibles);

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrower and any of its ERISA Affiliates in an aggregate amount exceeding \$60,000,000;

(d) the assertion of any claim with respect to any Environmental Liability by any Person against, or with respect to the activities of, the Borrower or any other Group Member and any alleged violation of or non-compliance with any Environmental Laws or any permits, licenses or authorizations, other than any such claim, alleged violation or non-compliance that, alone or together with any other such matters that have occurred, could reasonably be expected to result in liability of the Group Members in an aggregate amount exceeding \$25,000,000;

(e) within five days thereof (or such earlier time as set forth in Section 5.4 of the Guarantee and Collateral Agreement), any change in (i) any Loan Party’s corporate name, (ii) any Loan Party’s corporate structure, (iii) any Loan Party’s jurisdiction of organization or (iv) the organization identification number, if any, or, with respect to any Loan Party organized under the laws of a jurisdiction that requires such information to be set forth on the face of a UCC financing statement, the Federal Taxpayer Identification Number of such Loan Party (and the Borrower agree not to effect or permit any of the Loan Parties to effect any change referred to in this Section 6.02(e) unless all filings have been made under the UCC or otherwise that are required in order for the Administrative Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral as contemplated in the Security Documents); and

(f) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 6.03 Existence; Conduct of Business. The Borrower will, and will cause each of its Subsidiaries to, do or cause to be done all things necessary to (a) preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business (provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 7.03); and (b) maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

SECTION 6.04 Payment of Obligations. The Borrower will, and will cause each of its Subsidiaries to, pay its obligations, including tax liabilities, that, if not paid, could result in a Material Adverse Effect before the same shall become delinquent or in default, except where (1) (a) the validity or amount thereof is being contested in good faith by appropriate proceedings and (b) the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP or (2) solely relating to tax liabilities, such Taxes have been accrued under FIN 48 in conformity with GAAP.

SECTION 6.05 Maintenance of Properties. The Borrower will, and will cause each of its Subsidiaries to, keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted.

SECTION 6.06 Maintenance of Insurance. The Borrower will, and will cause each of its Subsidiaries to, maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations; provided that the Borrower may maintain self-insurance consistent with its past practices and policies.

SECTION 6.07 Books and Records. The Borrower will, and will cause each of its Subsidiaries to, keep proper books of record and account in which full, true and correct entries in all material respects are made of all dealings and transactions in relation to its business and activities.

SECTION 6.08 Inspection Rights. The Borrower 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 its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested; provided that such visit or discussions shall be at the expense of the Administrative Agent or any Lender, as applicable, unless a Default has occurred and is continuing in which case the expenses of the Administrative Agent or any Lender, as applicable, in connection therewith shall be paid or reimbursed by the Borrower.

SECTION 6.09 Compliance with Laws and Contractual Obligations. The Borrower will, and will cause each of its Subsidiaries to, comply with all Requirements of Law (including any Environmental Laws) applicable to it or its property, and all Contractual Obligations binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 6.10 Use of Proceeds and Letters of Credit. The proceeds of the Loans, and the Letters of Credit issued hereunder, will only be used by the Borrower to repay the Existing Credit Agreements, to make

Restricted Payments expressly permitted under Section 7.07, to make Capital Expenditures expressly permitted under Section 7.12 and to finance the working capital needs and general corporate purposes of the Borrower and its Subsidiaries. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations U and X.

SECTION 6.11 Collateral; Further Assurances.

(a) New Property. With respect to any property acquired ([including, without limitation, pursuant to a Delaware LLC Division](#)) after the Effective Date by any Borrower or any Subsidiary Guarantor (other than (i) any property described in paragraph (c) or (d) of this Section (which shall be governed by the terms thereof), (ii) any property subject to a Lien expressly permitted by Section 7.02(d), (e) or (f), (iii) property acquired by any Excluded Foreign Subsidiary or Immaterial Subsidiary and (iv) any real property (including leased real property)) as to which the Administrative Agent, for the benefit of the Secured Parties, does not have a perfected Lien, the Borrower will, and will cause each of its Subsidiaries to, promptly, (A) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement or such other documents as the Administrative Agent reasonably deems necessary to grant to the Administrative Agent, for the benefit of the Secured Parties, a security interest in such property and (B) take all actions reasonably necessary to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected first priority security interest in such property (subject to Permitted Liens), including the filing of Uniform Commercial Code financing statements in such jurisdictions as may be reasonably required by the Guarantee and Collateral Agreement or by law or as reasonably may be requested by the Administrative Agent.

(b) [Reserved].

(c) New Subsidiaries. With respect to any new Subsidiary (other than an Excluded Foreign Subsidiary or an Immaterial Subsidiary) created or acquired ([including, without limitation, pursuant to a Delaware LLC Division](#)) after the Effective Date by the Borrower or any of its Subsidiaries (which, for the purposes of this paragraph, shall include any existing Subsidiary that ceases to be an Excluded Foreign Subsidiary or an Immaterial Subsidiary), the Borrower will, and will cause each of its Subsidiaries to, promptly (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement as the Administrative Agent reasonably deems necessary to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected first priority security interest in the Capital Stock of such new Subsidiary that is owned by the Borrower or any of its Subsidiaries, as applicable, (ii) deliver to the Administrative Agent the certificates representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of the Borrower or any of its Subsidiaries, as applicable, (iii) cause such new Subsidiary (A) to become a party to the Guarantee and Collateral Agreement, (B) to take such actions reasonably necessary to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected first priority security interest in the Collateral described in the Guarantee and Collateral Agreement with respect to such new Subsidiary (but no security interest shall be granted in any real property), including the filing of Uniform Commercial Code financing statements in such jurisdictions as reasonably may be required by the Guarantee and Collateral Agreement or by law or as reasonably may be requested by the Administrative Agent and (C) to deliver to the Administrative Agent a closing certificate of such new Subsidiary, which certificate shall be in the form and substance reasonably satisfactory to the Administrative Agent, and (iv) if requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in customary form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

(d) Excluded Foreign Subsidiaries. With respect to any new Excluded Foreign Subsidiary (other than an Immaterial Subsidiary) created or acquired after the Effective Date by the Borrower or any of its Subsidiaries (other than by any Excluded Foreign Subsidiary or any Immaterial Subsidiary), the Borrower will, and will cause each of its Subsidiaries to, promptly (i) execute and deliver to the Administrative Agent such amendments to the

Guarantee and Collateral Agreement as the Administrative Agent reasonably deems necessary to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected first priority security interest in the Capital Stock of such new Subsidiary that is owned by the Borrower or any of its Domestic Subsidiaries (provided that in no event shall more than 65% of the total outstanding voting Capital Stock of any such new Excluded Foreign Subsidiary be required to be so pledged), (ii) deliver to the Administrative Agent the certificates representing such pledged Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of the Borrower or its Subsidiary, as applicable, and take such other action as reasonably may be necessary to perfect the Administrative Agent's security interest therein (provided that the Borrower shall use commercially reasonable efforts after the Effective Date to obtain a perfected share mortgage over 65% of the issued shares of Griffon Australia Holdings Pty Limited (formerly known as Northcote Holdings Australia Pty Ltd.)) and (iii) if requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in customary form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

(e) Further Assurances. The Borrower will, and will cause each of its Subsidiaries to, take such action from time to time as shall reasonably be requested by the Administrative Agent to effectuate the purposes and objectives of this Agreement including this Section, and the other Loan Documents. Notwithstanding anything in this Agreement or any Loan Documents to the contrary, the Borrower and its Subsidiaries shall not be required to execute and deliver to the Administrative Agent Mortgages with respect to any real property.

ARTICLE VII NEGATIVE COVENANTS

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired or terminated and all LC Disbursements shall have been reimbursed, the Borrower covenants and agrees with the Lenders that:

SECTION 7.01 Indebtedness; Guarantees.

(a) The Borrower will not, and will not permit any of its Subsidiaries to, create, incur, assume or permit to exist any Indebtedness, except:

(i) Indebtedness of any Loan Party pursuant to any Loan Document (including, without limitation, any additional Indebtedness incurred pursuant to any Commitment Increase);

(ii) Indebtedness of the Borrower to any other Group Member and of any Subsidiary to any other Group Member; provided Indebtedness of Group Members which are not Loan Parties to Group Members which are Loan Parties must also be expressly permitted by Section 7.06(d) or (r);

(iii) Indebtedness of the Borrower and any Domestic Subsidiaries outstanding on the ~~date hereof~~ Third Restatement Effective Date and listed on Part I of Schedule 7.01(a) and any refinancings, refundings, renewals, replacement, waivers, amendments, amendments and restatements or extensions thereof (without increasing, or shortening the maturity of, the principal amount thereof);

(iv) Indebtedness (including, without limitation, Capital Lease Obligations) secured by Liens expressly permitted by Section 7.02(e) in an aggregate principal amount not to exceed \$75,000,000 at any one time outstanding;

(v) Guarantees expressly permitted by Section 7.01(b);

(vi) Indebtedness of any Group Member to any other Group Member listed on Part II of Schedule 7.01(a); provided that such Indebtedness (A) is evidenced by the Global Intercompany Note and, if owing to a Loan Party, is subject to a Lien pursuant to the ~~Security Guarantee~~ and Collateral Agreement, (B) such Indebtedness is unsecured and, if owed by a Loan Party, subordinated in right of payment to the payment in full of the Obligations pursuant to the terms of the Global Intercompany Note and (C) any payment by any Subsidiary Guarantor under the Guarantee of the Obligations shall result in a pro ~~tantorata~~ reduction of the amount of any Indebtedness owing by such Subsidiary Guarantor to the Borrower or any other Subsidiary for whose benefit such payment is made;

(vii) Indebtedness arising from the endorsement of instruments, the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn in the ordinary course of business against insufficient funds, or in respect of netting services, overdraft protections or otherwise in connection with the operation of customary deposit accounts in the ordinary course of business;

(viii) Indebtedness with respect to (A) property casualty or liability insurance, (B) financing of insurance premiums with the providers of such insurance or their Affiliates, (C) take-or-pay obligations in supply arrangements consistent with past practice, (D) self-insurance obligations, (E) performance, bid, surety, custom, utility and advance payment bonds, or (F) performance and completion guaranties, in each case, in the ordinary course of business;

(ix) Indebtedness arising from agreements providing for indemnification or similar obligations in each case incurred in connection with an acquisition or other Investment expressly permitted by Section 7.06 or any disposition expressly permitted by Section 7.04;

(x) Indebtedness in the form of customary obligations under indemnification, incentive, non-compete, consulting, deferred compensation, earn-out (based on the income of the assets acquired after the acquisition thereof) or other customary similar arrangements otherwise permitted hereunder;

(xi) Indebtedness resulting from judgments not resulting in an Event of Default under paragraph (k) of Article VIII;

(xii) Indebtedness resulting from unfunded pension fund and other employee benefit plan obligations and liabilities to the extent that they are permitted to remain unfunded under ~~applicable law~~ Applicable Law;

(xiii) Indebtedness resulting from Swap Agreements permitted hereunder;

(xiv) Indebtedness consisting of guaranties of loans made to officers, directors or employees of any Group Member in an aggregate amount which shall not exceed \$2,000,000 at any one time outstanding;

(xv) (A) Indebtedness of the Borrower in respect of the Senior Notes in an aggregate principal amount not to exceed \$650,000,000 (and Indebtedness resulting from any refinancing or replacement thereof as permitted by the Senior Notes Indenture, so long as the aggregate principal amount thereof shall not increase to more than \$650,000,000 and the maturity thereof shall not be shortened) and (B) Guarantee Obligations of any Subsidiary Guarantor in respect of such Indebtedness; provided that, for the avoidance of doubt, the aggregate principal amount referenced in clause (A) shall not be deemed to be exceeded as a result of the incurrence of any refinancing or replacement Indebtedness in respect thereof so long as the net cash proceeds received as a result of such refinancing or replacement Indebtedness shall be placed in a segregated account or irrevocably deposited with the trustee for the Senior Notes and used by the Borrower

within 30 days following such incurrence and receipt of such net proceeds for the repurchase of, tender for and/or redemption of Senior Notes and for expenses incurred in connection therewith;

- (xvi) ESOP Loans constituting Indebtedness of the Borrower in an aggregate principal amount not to exceed \$50,000,000;
- (xvii) secured Indebtedness in an aggregate amount not to exceed \$125,000,000 at any time outstanding;
- (xviii) secured Indebtedness of any Foreign Subsidiary in an aggregate amount not to exceed \$150,000,000 at any time outstanding;

(xix) Indebtedness that is unsecured in an aggregate amount not to exceed \$300,000,000 at any time outstanding, so long as, after giving effect to the incurrence of such Indebtedness on a pro forma basis, (A) the Borrower is in compliance with Section 7.11 as of the end of the most recent fiscal quarter for which financial statements have been delivered and (B) no Default shall have occurred and be continuing, and, without limiting any of the foregoing, any refinancings, refundings, renewals, replacement, waivers, amendments, amendments and restatements or extensions thereof (without increasing, or shortening the maturity of, the principal amount thereof);

(xx) Permitted Subordinated Debt, so long as, after giving effect to the incurrence of such Indebtedness on a pro forma basis, (A) the Borrower is in compliance with Section 7.11 as of the end of the most recent fiscal quarter for which financial statements have been delivered and (B) no Default shall have occurred and be continuing, and any refinancings, refundings, renewals, replacement, waivers, amendments, amendments and restatements or extensions thereof (without increasing, or shortening the maturity of, the principal amount thereof) so long as the resulting Indebtedness shall constitute Permitted Subordinated Debt;

(xxi) Indebtedness of the Borrower or any of its Subsidiaries that is unsecured, so long as, after giving effect to the incurrence of such Indebtedness on a pro forma basis, (A) the Borrower is in compliance with Section 7.11(a), calculated with the Consolidated Leverage Ratio level set forth therein for the most recently ended fiscal quarter less 0.50, (B) the Borrower is in compliance with Section 7.11 as of the end of the most recent fiscal quarter for which financial statements have been delivered and (C) no Default shall have occurred and be continuing, and any refinancings, refundings, renewals, replacement, waivers, amendments, amendments and restatements or extensions thereof (without increasing, or shortening the maturity of, the principal amount thereof); and

(xxii) in addition to Indebtedness otherwise expressly permitted by this Section, Indebtedness of the Borrower and its Subsidiaries not to exceed, together with (but without duplication of) any Guarantees outstanding pursuant to Section 7.01(b)(v), \$125,000,000 at any one time outstanding.

(b) The Borrower will not, and will not permit any of its Subsidiaries to, assume, endorse, be or become liable for, or Guarantee, the obligations of any other Person (except by the endorsement of negotiable instruments for deposit or collection in the ordinary course of business), except for:

- (i) Guarantees existing on the ~~date hereof~~ Third Restatement Effective Date and set forth on Schedule 7.01(b);

(ii) Guarantees by the Borrower or any Subsidiary of obligations of the Borrower or any Subsidiary Guarantor (including, without limitation, all Indebtedness expressly permitted under Section 7.01(a));

(iii) Guarantees by a Subsidiary of obligations of the Borrower under leases for real or personal property, provided that such Subsidiary will utilize all or a portion of such property;

(iv) Guarantees by any Group Member of Indebtedness expressly permitted under Section 7.01(vi); provided such Guarantees are unsecured and subordinated to the extent the Indebtedness being so guaranteed is required to be so pursuant to Section 7.01(vi); and

(v) Guarantees of the Borrower and its Subsidiaries not to exceed, together with (but without duplication of) any Indebtedness outstanding pursuant to Section 7.01(a)(xxii), \$125,000,000 at any one time outstanding.

For purposes of determining compliance with this Section 7.01, the Dollar Equivalent of the aggregate amount of any Indebtedness denominated in a Foreign Currency as of the date such Indebtedness is incurred shall be deemed to be the aggregate amount of such Indebtedness, and any fluctuation in the applicable exchange rate thereafter shall not affect compliance with this Section 7.01; provided that if any such Indebtedness is refinanced then, to the extent such refinancing is denominated in the same Foreign Currency and in the same principal amount and incurred by the same borrower, the Dollar Equivalent of such refinanced Indebtedness shall be determined using the applicable exchange rate as of the date such Indebtedness so refinanced was incurred.

SECTION 7.02 Liens. The Borrower will not, and will not permit any of its Subsidiaries to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Liens created pursuant to the Loan Documents;

(b) Permitted Liens;

(c) any Lien on any property or asset of the Borrower or any of its Subsidiaries existing on the ~~date hereof~~ Third Restatement Effective Date and set forth on Schedule 7.02; provided that (i) no such Lien shall extend to any other property or asset of the Borrower or any of its Subsidiaries and (ii) any such Lien shall secure only those obligations which it secures on the ~~date hereof~~ Third Restatement Effective Date and extensions, renewals, replacements and combinations thereof that do not increase the outstanding principal amount thereof or commitment therefor, in each case, as in effect on the ~~date hereof~~ Third Restatement Effective Date;

(d) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary after the ~~date hereof~~ Third Restatement Effective Date prior to the time such Person becomes a Subsidiary (including in connection with a Permitted Acquisition); provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Borrower 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 that do not increase the original outstanding principal amount thereof;

(e) Liens on fixed or capital assets acquired, constructed or improved by the Borrower or any Subsidiary; provided that (i) such security interests secure Indebtedness expressly permitted by Section 7.01, (ii) such security interests and the Indebtedness secured thereby are incurred prior to or within six

months after such acquisition or the completion of such construction or improvement, (iii) the Indebtedness secured thereby does not exceed 100% of the cost of acquiring, constructing or improving such fixed or capital assets and (iv) such security interests shall not apply to any other property or assets of the Borrower or any Subsidiary;

(f) Liens on specifically identified inventory and accounts receivable covered by bankers' acceptances resulting from import letters of credit which do not cover any assets other than those financed with such bankers' acceptances;

(g) Liens on assets of any Group Member to secure (i) its Indebtedness (other than guarantees) or (ii) the Indebtedness of any other Group Member organized under the same jurisdiction (provided that no Group Member may Guarantee Indebtedness under this clause (ii) of Persons organized under a different jurisdiction), in each case permitted by Section 7.01(a)(xvii);

(h) Liens on assets of any Foreign Subsidiary securing Indebtedness of such Foreign Subsidiary permitted by Section 7.01(a)(xviii); and

(i) additional Liens not otherwise expressly permitted by this Section on any property or asset of the Borrower or any Subsidiary securing obligations in an aggregate amount not exceeding \$75,000,000.

SECTION 7.03 Mergers, Consolidations, Etc. The Borrower will not, and will not permit any of its Subsidiaries to, enter into any transaction of merger or consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution) (including, in each case, pursuant to a Delaware LLC Division), except that (i) any Subsidiary of the Borrower may be merged or consolidated with or into the Borrower (provided that the Borrower shall be the continuing or surviving corporation) or with or into any Subsidiary Guarantor (provided that the Subsidiary Guarantor shall be the continuing or surviving corporation), (ii) any other Subsidiary which is not a Loan Party may be merged or consolidated with or into any other Subsidiary which is not a Loan Party, (iii) the Borrower or any of its Subsidiaries may do any of the foregoing to the extent required to make Permitted Acquisitions and (iv) any Subsidiary (other than a Subsidiary Guarantor) may liquidate or dissolve if the Borrower determines in good faith that such action is in the best interest of the Borrower and its Subsidiaries taken as a whole and is not disadvantageous to the Lenders in any material respect.

SECTION 7.04 Dispositions. The Borrower will not, and will not permit any of its Subsidiaries to, convey, sell, lease, transfer or otherwise dispose of (including, without limitation, any disposition of property to a Delaware Divided LLC pursuant to a Delaware LLC Division), in one transaction or a series of transactions, any part of its business or property, whether now owned or hereafter acquired (including receivables and leasehold interests), except:

(a) obsolete or worn-out property, tools or equipment no longer used or useful in its business;

(b) any inventory or other property sold or disposed of in the ordinary course of business and for fair consideration;

(c) any Subsidiary of the Borrower may sell, lease, transfer or otherwise dispose of any or all of its property (upon voluntary liquidation or otherwise) to the Borrower or any Subsidiary (provided that, in the case of any such transfer by a Subsidiary Guarantor, the transferee must also be a Subsidiary Guarantor or the Borrower);

(d) the Capital Stock of any Subsidiary of the Borrower may be sold, transferred or otherwise disposed of to the Borrower or any other Subsidiary (provided that, in the case of any such transfer by a Subsidiary Guarantor, the transferee must also be a Subsidiary Guarantor or the Borrower);

(e) the Borrower or any Subsidiary may, for fair consideration, sell, lease, transfer or otherwise dispose of its property and assets the fair market value of which does not exceed in the aggregate, together with all asset sales made in reliance upon this Section 7.04(e), the General Disposition Basket; provided that the Borrower or any Subsidiary may sell, lease transfer or otherwise dispose of its property and assets for fair consideration that, in the aggregate, is in excess of the General Disposition Basket Amount (any sale, lease or transfer resulting in the receipt of such excess consideration, the “Incremental Asset Sales”) so long as the Net Cash Proceeds of any such Incremental Asset Sales (for avoidance of doubt, only to the extent of such excess) are applied to reduce the Commitments on a dollar-for-dollar basis in accordance with Section 2.11(a);

(f) the cross-licensing or licensing of intellectual property, in the ordinary course of business or for fair consideration;

(g) the dispositions expressly permitted by Section 7.03;

(h) the leasing, occupancy or sub-leasing of real property in the ordinary course of business that would not materially interfere with the required use of such real property by the Borrower or its Subsidiaries;

(i) the sale or discount of accounts receivable arising in the ordinary course of business in connection with the compromise or collection thereof; provided that in no event shall this Section 7.04(i) be utilized for any receivables securitization or similar arrangement or any other arrangement resulting in the incurrence of Indebtedness by any Group Member;

(j) transfers of condemned property as a result of the exercise of “eminent domain” or other similar policies to the respective Governmental Authority or agency that has condemned the same (whether by deed in lieu of condemnation or otherwise), and transfers of properties that have been subject to a casualty to the respective insurer of such property as part of an insurance settlement;

(k) Liens expressly permitted by Section 7.02;

(l) (i) the Borrower may issue Capital Stock (other than Disqualified Stock) and (ii) Subsidiaries of the Borrower may issue Capital Stock (other than Disqualified Stock), in each case as permitted by Section 7.13; and

(m) Restricted Payments expressly permitted by Section 7.07.

SECTION 7.05 [Reserved].

SECTION 7.06 Investments and Acquisitions. The Borrower will not, and will not permit any of its Subsidiaries to, make or suffer to exist any Investment in any Person or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person constituting a business unit, except:

(a) Permitted Investments;

(b) Guarantees expressly permitted by Section 7.01(b) and any payments made in respect of such Guarantees;

(c) Investments (other than Investments expressly permitted under paragraph (a) and (b) of this Section) existing on the ~~date hereof~~ Third Restatement Effective Date and set forth on Schedule 7.06;

(d) Investments by (i) the Borrower in any Subsidiary Guarantor or by any Subsidiary in any Subsidiary Guarantor or in the Borrower and (ii) any Subsidiary (that is not a Loan Party) in any Subsidiary (that is not a Loan Party);

- (e) [Reserved];
- (f) the Borrower and its Subsidiaries may make Permitted Acquisitions;
- (g) purchases of inventory and other property to be sold or used in the ordinary course of business;
- (h) [Reserved];
- (i) any Restricted Payments expressly permitted by Section 7.07;
- (j) extensions of trade credit in the ordinary course of business;
- (k) Investments arising in connection with the incurrence of Indebtedness expressly permitted by Section 7.01(a);

(l) Investments (including debt obligations) received in the ordinary course of business by the Borrower or any Subsidiary in connection with the bankruptcy or reorganization of suppliers and customers and in settlement of delinquent obligations of, and other disputes with, customers and suppliers arising out of the ordinary course of business;

(m) Investments of the Borrower or any Subsidiary under Swap Agreements permitted hereunder;

(n) Investments of any Person in existence at the time such Person becomes a Subsidiary pursuant to a transaction expressly permitted by any other paragraph of this Section; provided that such Investment was not made in connection with or anticipation of such Person becoming a Subsidiary;

(o) Investments resulting from pledges and deposits referred to in paragraphs (b) and (c) of the definition of "Permitted Liens";

(p) the forgiveness or conversion to equity of any Indebtedness expressly permitted by Section 7.01(a)(ii);

(q) negotiable instruments and deposits held in the ordinary course of business; and

(r) in addition to Investments otherwise expressly permitted by this Section, Investments not exceeding in the aggregate \$100,000,000.

SECTION 7.07 Restricted Payments. The Borrower will not, and will not permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except:

(a) the Borrower may declare and pay dividends with respect to its Capital Stock payable solely in additional shares of its Capital Stock;

(b) the Borrower may make ESOP Purchases in an aggregate amount not to exceed \$10,000,000 in any fiscal year; provided that the aggregate amount of ESOP Purchases made by the Borrower after the Third Restatement Effective Date shall not exceed \$50,000,000;

(c) the Borrower may make Restricted Payments so long as (i) after giving effect to such Restricted Payment on a pro forma basis, the Consolidated Leverage Ratio for the period of the four consecutive fiscal quarters of the Borrower most recently ended prior to such Restricted Payment for which financial statements have been delivered does not exceed 3.50 to 1.00 and (ii) no Default shall have occurred and be continuing or would result therefrom;

(d) the Borrower may make Restricted Payments not otherwise permitted hereunder in an aggregate amount not to exceed \$40,000,000 in any fiscal year so long as no Default shall have occurred and be continuing or would result therefrom;

(e) the Borrower or its Subsidiaries may issue shares of Capital Stock and make other equity awards to any eligible Person under the terms of any equity plan maintained by the Borrower or its Subsidiaries (a "Borrower Equity Plan"), including without limitation, making any Restricted Payment to any such eligible Person to satisfy any applicable tax withholding requirement with respect to any equity award granted to such Person;

(f) the Borrower and any of its Subsidiaries (i) may repurchase Capital Stock issued to employees, directors, and officers of the Borrower or any of its Subsidiaries (including repurchases of Capital Stock from severed or terminated employees, directors, and officers) pursuant to any Borrower Equity Plan; provided that the aggregate amount of such payments under this clause (f) shall not exceed \$12,500,000 in any fiscal year and (ii) may declare and pay dividends or make Restricted Payments to one another to effect repurchases permitted by clause (i);

(g) the Borrower may make Restricted Payments not otherwise permitted hereunder in an aggregate amount not to exceed \$40,000,000 in any fiscal year so long as (i) no Event of Default shall have occurred and be continuing or would result therefrom and (ii) after giving effect to such dividend or payment, the Borrower has Minimum Liquidity of at least \$100,000,000;

(h) the Borrower may make Restricted Payments, on or prior to December 31, 2013, in an aggregate amount not to exceed \$50,000,000 so long as (i) no Event of Default shall have occurred and be continuing or would result therefrom and (ii) after giving effect to such dividend or payment, the Borrower has Minimum Liquidity of at least \$100,000,000;

(i) the Borrower may make Restricted Payments in an aggregate amount not to exceed \$50,000,000 in the calendar year ending December 31, 2015 so long as (1) no Event of Default shall have occurred and be continuing or would result therefrom and (2) after giving effect to such dividend or payment, the Borrower has Minimum Liquidity of at least \$100,000,000; provided that if the difference between \$50,000,000 and the aggregate amount of Restricted Payments made by the Borrower during the calendar year ending December 31, 2015 pursuant to this clause (i) is greater than zero, the dollar amount of such difference may be carried over and used by the Borrower, subject to the conditions set forth in clauses (1) and (2) of this clause (i), for Restricted Payments during the calendar year ending December 31, 2016;

(j) the Borrower may make Restricted Payments in an aggregate amount not to exceed \$50,000,000 after the Third Restatement Effective Date, so long as (1) no Event of Default shall have occurred and be continuing or would result therefrom and (2) after giving effect to such Restricted Payment, the Borrower has Minimum Liquidity of at least \$100,000,000; and

(k) prior to September 30, 2018, the Borrower may repurchase Capital Stock of the Borrower from the Person separately identified to the Administrative Agent in an aggregate amount not to exceed \$70,000,000, so long as (1) no Event of Default shall have occurred and be continuing or would result therefrom and (2) after giving effect to such Restricted Payment, the Borrower has Minimum Liquidity of at least \$100,000,000;

provided that nothing herein shall be deemed to prohibit the payment of dividends by any Subsidiary of the Borrower to the Borrower, any other Subsidiary of the Borrower or, if applicable, any minority shareholder of such Subsidiary (in accordance with the percentage of the Capital Stock of such Subsidiary owned by such minority shareholder).

SECTION 7.08 Transactions with Affiliates. The Borrower will not, and will not permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except:

- (a) transactions in the ordinary course of business at prices and on terms and conditions not less favorable to the Borrower or such Subsidiary than could be obtained on an arm's-length basis from a Person that is not an Affiliate;
- (b) [Reserved];
- (c) transactions between or among the Borrower and its wholly-owned Subsidiaries not involving any other Affiliate;
- (d) any Investments permitted by Section 7.06;
- (e) any Restricted Payment permitted by Section 7.07; and
- (f) any Affiliate who is a natural person may serve as an employee or director of the Borrower and receive reasonable compensation for his services in such capacity.

SECTION 7.09 Restrictive Agreements. The Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of the Borrower or any Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets to secure this Agreement or any refinancing or replacement of this Agreement, or (b) the ability of any Subsidiary to pay dividends or other distributions with respect to any shares of its Capital Stock or to make or repay loans or advances to the Borrower or any other Subsidiary or to Guarantee Indebtedness of the Borrower or any other Subsidiary; except:

- (a) restrictions and conditions imposed by law or by this Agreement;
- (b) restrictions and conditions existing on the ~~date hereof~~ Third Restatement Effective Date identified on Schedule 7.09 (but shall apply to any extension or renewal of, or any amendment or modification expanding the scope of, any such restriction or condition);
- (c) restrictions imposed by the Senior Notes Indenture;
- (d) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided that such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder;
- (e) (with respect to paragraph (a) above) (i) restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness and (ii) customary provisions in leases and other contracts restricting the assignment thereof;
- (f) restrictions or conditions imposed by any agreement relating to Indebtedness of any Foreign Subsidiary permitted by this Agreement if such restrictions or conditions apply only to the assets of the applicable Foreign Subsidiary; and
- (g) restrictions or conditions binding on a Subsidiary at the time such Subsidiary first becomes a Subsidiary pursuant to a transaction permitted by this Agreement, so long as such restrictions were not entered into solely in contemplation of such Person becoming a Subsidiary.

SECTION 7.10 Swap Agreements. The Borrower will not, and will not permit any of its Subsidiaries to, enter into any Swap Agreement, other than Swap Agreements entered into in the ordinary course of business to

hedge or mitigate risks to which the Borrower or any Subsidiary is exposed in the conduct of its business or the management of its liabilities.

SECTION 7.11 Financial Covenants.

(a) Consolidated Leverage Ratio. The Borrower will not permit the Consolidated Leverage Ratio as at the last day of any period of four consecutive fiscal quarters of the Borrower (any such period, a "Test Period") ending during any period set forth to exceed the ratio set forth opposite such period:

<u>Period</u>	<u>Consolidated Leverage Ratio</u>
Fourth Amendment Effective Date through June 30, 2019	6.50:1.00
July 1 2019 through March 31, 2020	6.00:1.00
April 1, 2020 through September 30, 2020	5.75:1.00
October 1, 2020 and thereafter	5.50:1.00

; provided that in the event that after the Fourth Amendment Effective Date and prior to September 30, 2018, the Borrower receives net cash proceeds in excess of \$40,000,000 from the issuance of Capital Stock of the Borrower, the applicable ratio set forth above shall, in respect of any Test Period ending after receipt of such net cash proceeds, decrease by 0.25.

(b) Consolidated Senior Secured Leverage Ratio. The Borrower will not permit the Consolidated Senior Secured Leverage Ratio as at the last day of any period of four consecutive fiscal quarters of the Borrower to exceed 3.00 to 1.0.

(c) Consolidated Interest Coverage Ratio. The Borrower will not permit the Consolidated Interest Coverage Ratio for any period of four consecutive fiscal quarters of the Borrower to be less than 2.50 to 1.0.

SECTION 7.12 Capital Expenditures. The Borrower will not, and will not permit any of its Subsidiaries to, make or commit to make any Capital Expenditure, except Capital Expenditures of the Borrower and its Subsidiaries in the ordinary course of business not exceeding \$100,000,000 in any fiscal year of the Borrower; provided, that (a) up to 50% of any portion of such amount referred to above not used in the fiscal year for which it is permitted may be carried over for expenditure in the next succeeding fiscal year (provided that up to 100% of the amount permitted to be used for Capital Expenditures in the fiscal year ended September 30, 2015 pursuant to the Previous Credit Agreement and not so used during such fiscal year may be carried over for expenditure in the fiscal year ending September 30, 2016) and (b) Capital Expenditures made pursuant to this Section during any fiscal year shall be deemed made, first, in respect of amounts permitted for such fiscal year as provided above and, second, in respect of amounts carried over from the prior fiscal year pursuant to clause (a) above.

SECTION 7.13 Stock Issuance. The Borrower will not permit any of its Subsidiaries to, issue any additional shares, or any right or option to acquire any shares or any security convertible into any shares, of the Capital Stock of any Subsidiary, except (a) in connection with dividends in Capital Stock permitted by Section 7.07(a), (b) under a Borrower Equity Plan permitted by Section 7.07(e) and (c) to the Borrower or a Subsidiary; provided that in no event shall such Subsidiary be permitted to issue any Disqualified Stock. Notwithstanding the foregoing, nothing in this Section 7.13 shall prohibit the Borrower from issuing additional Capital Stock (other than Disqualified Stock).

SECTION 7.14 Modifications of Certain Documents. The Borrower will not, and will not permit any of its Subsidiaries to, consent to any modification, amendment, supplement or waiver of any of the provisions of the charter, by-laws or other organizational documents of the Borrower or any of its Subsidiaries or any other agreement or instrument to which the Borrower or any of its Subsidiaries is a party or is bound that could reasonably be expected to have a Material Adverse Effect, in each case, without the prior consent of the Administrative Agent (with the approval of the Required Lenders).

SECTION 7.15 Use of Proceeds. The Borrower will not, and will not permit any of its Subsidiaries to, request any Loan or Letter of Credit, and the Borrower shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Loan or Letter of Credit (a) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (b) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, to the extent such activities, businesses or transactions would be prohibited by Sanctions if conducted by a corporation incorporated in the United States or in a European Union member state, or (c) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

ARTICLE VIII EVENTS OF DEFAULT

If any of the following events ("Events of Default") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan (including providing any cash collateral or backstop arrangement required pursuant to Section 2.04(1)) when and as the same shall become due and payable in accordance with the terms hereof, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any reimbursement obligation in respect of any LC Disbursement or any interest on any Loan or any fee or any other amount (other than an amount referred to in paragraph (a) of this Article) payable under this Agreement or under any other Loan Document, when and as the same shall become due and payable in accordance with the terms hereof, and such failure shall continue unremedied for a period of five or more Business Days;

(c) any representation or warranty made or deemed made by or on behalf of the Borrower or any of its Subsidiaries in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, shall prove to have been false or misleading when made or deemed made in any material respect;

(d) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 6.02 or 6.03 (with respect to the Borrower's existence) or in Article VII or the Borrower shall default in the performance of any of its obligations contained in Sections 5.4 and 5.6(b) of the Guarantee and Collateral Agreement;

(e) The Borrower or any other Loan Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in paragraph (a), (b) or (d) of this Article) or any other Loan Document and such failure shall continue unremedied for a period of 30 or more days after notice thereof from the Administrative Agent (given at the request of any Lender) to the Borrower;

(f) the Borrower or any other Group Member shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable, and such failure shall continue unremedied for a period (except in the case of principal, beyond any applicable grace period) of five or more Business Days;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this paragraph (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness or, for the avoidance of doubt, to any asset sale offer under the Senior Notes Indenture;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any other Group Member having assets in excess of \$30,000,000 or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any such Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed or undischarged for a period of 60 or more days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower or any other Group Member having assets in excess of \$30,000,000 shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in paragraph (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for it or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) the Borrower or any other Group Member shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of \$30,000,000 shall be rendered against the Borrower or any other Group Member any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed or vacated or, in respect with such judgment, any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any other Group Member to enforce any such judgment;

(l) an ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(m) a Change of Control shall occur;

(n) this Agreement or any guarantee contained in ~~Article III~~ Section 2 of the Guarantee and Collateral Agreement shall for whatever reason cease to be in full force and effect or any Loan Party or any Affiliate of any Loan Party shall so assert; or

(o) the Liens created by the Security Documents shall at any time not constitute a valid and perfected Lien (other than by reason of the express release thereof pursuant to Section 10.15) on the Collateral intended to be covered thereby (to the extent perfection by filing, registration, recordation or possession is required herein or therein), free and clear of all other Liens (other than Permitted Liens), or, except for expiration in accordance with its terms, any of the Security Documents shall for whatever reason be terminated or cease to be in full force and effect, or any Loan Party or any Affiliate of any Loan Party shall so assert, or the enforceability thereof shall be contested by any Loan Party or any Affiliate of any Loan Party;

then, and in every such event (other than any event described in paragraphs (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder (including all amounts of LC Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder), shall become due and payable immediately; and in case of any event described in paragraph (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder (including all amounts of LC Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder), shall automatically become due and payable. Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrower.

ARTICLE IX ~~THE~~ ADMINISTRATIVE AGENT

SECTION 9.01 Appointment and Authority.

(a) Each of the Lenders and ~~each of~~ the Issuing Lenders hereby irrevocably appoints Bank of America to act on its behalf as the Administrative Agent ~~as its 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 reasonably incidental thereto. The provisions of this Article IX are solely for the benefit of the Administrative Agent, the Lenders and the Issuing Lenders, and neither the Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(b) The Administrative Agent shall also act as the "collateral agent" under the Loan Documents, and each of the Lenders (including in its capacities as a potential party to a Specified Swap Agreement and/or a Specified Cash Management Agreement) and the Issuing Lenders hereby irrevocably appoint and authorizes the Administrative Agent to act as the agent of such Lender and the Issuing Lender for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Administrative Agent, as "collateral agent" and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to Section 9.05 for purposes of holding or enforcing any Lien on the Collateral (or any portion

thereof granted under the Security Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent), shall be entitled to the benefits of all provisions of this Article IX and Article X (including Section 10.03(c), as though such co-agents, sub-agents and attorneys-in-fact were the “collateral agent” under the Loan Documents) as if set forth in full herein with respect thereto.

SECTION 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 such~~ 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, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if ~~such Person~~ were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

SECTION 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, ~~(a)~~ 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) the Administrative Agent~~

(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 ~~in writing~~ as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be ~~necessary under the circumstances provided in Section 10.02), and (e) 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, ~~the Administrative Agent shall not~~ have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its ~~Subsidiaries~~ Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(d) 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 ~~Section~~ Sections 10.02(b) and Article VIII) or (ii) in the absence of its own gross negligence or willful misconduct, as determined by a court of competent jurisdiction by a final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until ~~written~~ notice thereof describing such Default is given to the Administrative Agent by the Borrower ~~or~~, a Lender; ~~and the~~ or an Issuing Lender.

(e) 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 the creation, perfection or priority of any Lien purported to be created by the Security Documents, (v) the value or the sufficiency of any Collateral, (v) the satisfaction of any condition set forth in Article V or elsewhere herein ~~or therein~~, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent or (vi) compliance by Affiliated Lenders with the terms hereof relating to Affiliated Lenders.

SECTION 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 ~~or~~, 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 ~~be~~ 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, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or an Issuing Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender or such Issuing Lender unless the Administrative Agent shall have received notice to the contrary from such Lender or such Issuing Lender 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 Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 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 ~~the preceding paragraphs~~ this Article IX shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such ~~subagent~~ 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. ~~Subject to the appointment and acceptance of a successor~~ The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent as provided in this paragraph acted with gross negligence or willful misconduct in the selection of such sub-agents.

SECTION 9.06 Resignation of Administrative Agent

(a) The Administrative Agent may resign at any time by notifying give notice of its resignation to the Lenders, the Issuing Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor- If no, 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 so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Lenders, appoint a successor Administrative Agent which shall be a Lender with an office in New York, New York or an Affiliate of a Lender (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"). then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders and the Issuing Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above, provided that in no event shall any such successor Administrative Agent be a Defaulting Lender. 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 pursuant to clause (d) or (e) of the definition thereof, 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 Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 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 (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the Issuing Lenders under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) except for any indemnity payments or other amounts then owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and each Issuing Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of ~~its~~ a successor's appointment as Administrative Agent hereunder ~~by a successor~~, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring ~~Administrative Agent, and the retiring (or removed) Administrative Agent (other than as provided in Section 2.17(f) and other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable, 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 9.06).~~ 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 ~~or removal~~ hereunder ~~and under the other Loan Documents~~, the provisions of this Article IX and Section 10.03 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 (i) while ~~the retiring or removed Administrative Agent~~ was acting as Administrative Agent ~~and (ii) after such resignation or removal for as long as any of them continues to act in any capacity hereunder or under the other Loan Documents, including (a) acting as collateral agent or otherwise holding any collateral security on behalf of any of the Lenders and (b) in respect of any actions taken in connection with transferring the agency to any successor Administrative Agent.~~

SECTION 9.07 Non Reliance on Administrative Agent and Other Lenders. Each Lender and each Issuing Lender 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 Issuing Lender 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.

~~Notwithstanding anything herein to the contrary the Arranger, the Co-Syndication Agents and the Co-Documentation Agents named on the cover page of this Agreement shall not have any duties or liabilities under this Agreement, except in their capacity, if any, as Lenders.~~

SECTION 9.08 No Other Duties, Etc.. Anything herein to the contrary notwithstanding, none of the Bookrunners, Arrangers, Co-Syndication Agents or Co-Documentation Agents listed on the cover page hereof shall

have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or an Issuing Lender hereunder.

SECTION 9.09 Administrative Agent May File Proofs of Claim; Credit Bidding. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or LC 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 the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, LC 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 Issuing Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the Issuing Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the Issuing Lenders and the Administrative Agent under Sections 2.12 and 10.03) 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 Issuing Lender to make such payments to the Administrative Agent and, if the Administrative Agent shall consent to the making of such payments directly to the Lenders and the Issuing Lenders, 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 2.12 and 10.03.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or any Issuing Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or any Issuing Lender to authorize the Administrative Agent to vote in respect of the claim of any Lender or any Issuing Lender or in any such proceeding.

The Secured Parties hereby irrevocably authorize the Administrative Agent, at the direction of the Required Lenders, to credit bid all or any portion of the Obligations (including accepting some or all of the Collateral in satisfaction of some or all of the Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code of the United States, including under Sections 363, 1123 or 1129 of the Bankruptcy Code of the United States, or any similar Laws in any other jurisdictions to which a Loan Party is subject, (b) at any other sale or foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any Applicable Law. In connection with any such credit bid and purchase, the Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that would vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) in the asset or assets so purchased (or in the Capital Stock or debt instruments of the acquisition vehicle or vehicles that are used to consummate such purchase). In connection with any such bid (i) the Administrative Agent shall be authorized to form one or more acquisition vehicles to make a bid, (ii) to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or Capital Stock thereof, shall be governed, directly or indirectly, by the vote of the Required Lenders, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained

in clauses (i) through (vii) of Section 10.02(b) of this Agreement), and (iii) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of debt credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Lenders pro rata and the Capital Stock and/or debt instruments issued by any acquisition vehicle on account of the Obligations that had been assigned to the acquisition vehicle shall automatically be cancelled, without the need for any Secured Party or any acquisition vehicle to take any further action.

SECTION 9.10 Certain ERISA Matters

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto),

(c) To the extent required by any Applicable Law, the Administrative Agent may withhold from any payment to any Lender an amount equal to any applicable withholding Tax. If the Internal Revenue Service or any other governmental authority asserts a claim that the Administrative Agent did not properly withhold Tax from any amounts paid to or for the account of any Lender for any reason (including because the appropriate form was not delivered or was not properly executed or because such Lender failed to notify the Administrative Agent of a change in circumstance which rendered the exemption from, or reduction of, withholding Tax ineffective), such Lender shall indemnify the Administrative Agent fully, within 10 days after demand therefor, for all amounts paid, directly or indirectly, by the Administrative Agent as Tax or otherwise, including any penalties, additions to Tax or interest and together with all expenses (including legal expenses, allocated internal costs and out-of-pocket expenses) incurred, whether or not such Tax was correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document against any amount due the Administrative Agent under this clause. For the avoidance of doubt, the term “Lender” shall, for purposes of this clause, include any Issuing Lender.

ARTICLE X MISCELLANEOUS

SECTION 10.01 Notices.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) of this Section), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by teletype (i) if to the Borrower, the Administrative Agent or any Issuing Lender, as set forth in Schedule 10.01 and (ii) if to any other Lender, to it at its address (or teletype number) set forth in its Administrative Questionnaire.

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) 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 Borrower, any Lender, any Issuing Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower’s, any Loan Party’s 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.

(d) ~~(e)~~ Change of Address, Etc. Any party hereto may change its address or teletype number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

(e) Reliance by Administrative Agent, Issuing Lenders and Lenders. The Administrative Agent, the Issuing Lenders and the Lenders shall be entitled to rely and act upon any notices (including telephonic notices, Borrowing Requests, Interest Election Requests and Letter of Credit Applications) given by a Responsible Officer 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 Loan Parties shall indemnify the Administrative Agent, each Issuing Lender, 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, except to the extent such losses, costs, expenses and liabilities are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. 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.

SECTION 10.02 Waivers; Enforcement; Amendments.

(a) No Deemed Waivers; Remedies Cumulative. No failure or delay by the Administrative Agent, any Issuing Lender or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Lenders and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or any Issuing Lender may have had notice or knowledge of such Default at the time.

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 Article VIII for the benefit of all the Lenders and the Issuing Lenders; 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 Issuing Lender or from exercising the rights and remedies that inure to its benefit (solely in its capacity as Issuing Lender) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 10.08 (subject to the terms of Section 2.18), 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 Article VIII and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.18, 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.

(b) Amendments. Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders (and acknowledged by the Administrative Agent) or by the Borrower and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall:

(i) increase the Commitment of any Lender without the written consent of such Lender;

(ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender adversely affected thereby;

(iii) postpone the scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender adversely affected thereby;

(iv) change Section 2.18(b), (c) or (d) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender;

(v) change any of the provisions of this Section or the definition of the term "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender;

(vi) release all or substantially all of the Subsidiary Guarantors from their guarantee obligations under the Guarantee and Collateral Agreement or all or substantially all of the Collateral, in each case without the written consent of each Lender; or

(vii) add any Foreign Currency (other than English Pounds Sterling or euro) to the Currencies available under the Aggregate Foreign Currency Sublimit Dollar Amount without the written consent of each Lender;

and provided, further, that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or any Issuing Lender hereunder without the prior written consent of the Administrative Agent or such Issuing Lender, as the case may be.

Except as otherwise provided in this Section with respect to this Agreement, the Administrative Agent may, with the prior consent of the Required Lenders (but not otherwise), consent to any modification, supplement or waiver under any of the Security Documents, provided that, without the prior consent of each Lender, the Administrative Agent shall not (except as provided herein or in the Security Documents) release all or substantially all of the Collateral or otherwise terminate all or substantially all of the Liens under any Security Document providing for collateral security, except that no such consent shall be required, and the Administrative Agent is authorized in accordance with Section 10.15, to release any Lien covering property, (i) under the circumstances described in Section 10.15(b) or (ii) that is the subject of either a disposition of property permitted hereunder or a disposition to which the Required Lenders have consented.

Notwithstanding the foregoing, this Agreement may be amended, with the written consent of the Administrative Agent, the Borrower and the Lenders providing the relevant Replacement Facility (as defined below) to permit the refinancing, replacement or modification of all or any portion of any tranche of Commitments and the extensions of credit made thereunder (a "Replaced Facility") with a replacement revolving facility hereunder (a "Replacement Facility"); provided that (a) the aggregate amount of such Replacement Facility shall not exceed the

aggregate amount of such Replaced Facility, (b) the termination date of such Replacement Facility shall be no earlier than the termination date of the Replaced Facility and (c) the terms of any such Replacement Facility are (excluding pricing, fees, rate floors and optional prepayment or redemption terms), taken as a whole, no more favorable to the lenders providing such Replacement Facility than those applicable to the Replaced Facility (other than any covenants or other provisions applicable only to periods after the latest termination date in respect of any Commitments then outstanding (prior to effectiveness of such Replacement Facility)); provided, further, that (x) subject to the provisions of Section 2.04(l) to the extent dealing with Letters of Credit which mature or expire after the termination date when a Replacement Facility with a later termination date exists, all Letters of Credit shall be participated in on a pro rata basis by all lenders with Commitments hereunder (including, for avoidance of doubt, lenders with Commitments under any Replacement Facility) and, except as provided in Section 2.04 (l), without giving effect to changes thereto on an earlier termination date with respect to Letters of Credit theretofore incurred or issued, and all borrowings in respect of any Commitments outstanding hereunder (including borrowings in respect of any Commitments outstanding under any Replacement Facility) and repayments thereof shall be made on a pro rata basis (except for (A) payments of interest and fees at different rates on the Commitments under the Replacement Facility (and related outstandings), (B) repayments required upon the voluntary termination or reduction of any tranche of Commitments by the Borrower in accordance with Section 2.09(b) and (C) repayments required upon the termination date of the non-replaced Commitments) and (y) at no time shall there be Commitments hereunder (including Extended Commitments, any Commitments under any Replacement Facility and any original Commitments) that have more than two different termination dates.

Any term or provision of this Section 10.02 to the contrary notwithstanding, if the Administrative Agent and the Borrower shall have jointly identified an obvious error or any error or omission of a technical or immaterial nature in any provision of this Agreement or the Security Documents, then the Administrative Agent and the Borrower shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to this Agreement or the Security Documents.

SECTION 10.03 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of one counsel for the Administrative Agent, in connection with the syndication of the credit facilities provided for herein, the preparation and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable, documented out-of-pocket expenses incurred by any Issuing Lender in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, including the reasonable fees, charges and expenses of one counsel for such Issuing Lender (iii) all out-of-pocket expenses incurred by the Administrative Agent, any Issuing Lender or any Lender, including the fees, charges and disbursements of any counsel for the Administrative Agent, any Issuing Lender or any Lender, in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect thereof and (iv) and all reasonable costs, expenses, taxes, assessments and other charges incurred in connection with any filing, registration, recording or perfection of any security interest contemplated by any Security Document or any other document referred to therein.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent, each Issuing Lender and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the

execution or delivery of this Agreement or any agreement or instrument contemplated hereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by any Issuing Lender to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower 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 and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee.

(c) Reimbursement by Lenders. The Lenders agree to indemnify the Administrative Agent and each Issuing Lender in their capacity as such (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower or any of the other Loan Parties to do so), ratably according to their respective Applicable Percentages in effect on the date on which indemnification is sought under this paragraph, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including, without limitation, at any time following the payment of the Loans) be imposed on, incurred by or asserted against the Administrative Agent or such Issuing Lender in any way relating to or arising out of this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent or such Issuing Lender under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements to the extent resulting from the Administrative Agent's or such Issuing Lender's (as the case may be) gross negligence or willful misconduct, as determined in a final and non-appealable judgment by a court of competent jurisdiction.

(d) Waiver of Consequential Damages, Etc. To the extent permitted by ~~applicable law~~ Applicable Law, the Borrower shall not assert, and the Borrower hereby waives, 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 or any agreement or instrument contemplated hereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in clause (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee using reasonable care through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall be payable promptly after written demand therefor.

SECTION 10.04 Successors and Assigns.

(a) Assignments Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Lender that issues any Letter of Credit), except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto,

their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Lender that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Lenders and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement. [For the avoidance of doubt, it is hereby understood and agreed by all parties to this Agreement that the assignment provisions of Section 10.04 shall not apply to any Person in its capacity as a Hedge Bank or affect its status or rights as a Secured Party in respect of any Specified Swap Agreement.](#)

(b) Assignments by Lenders.

(i) Assignments Generally. Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees (other than a natural person [or a holding company, investment vehicle or trust for, or owned and operated by or for the primary benefit of one or more natural persons](#)) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Borrower, provided that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee; and provided, further, that the Borrower shall be deemed to have consented to any such assignment unless the Borrower shall object thereto by written notice to the Administrative Agent within five Business Days after having received notice thereof;

(B) the Administrative Agent; and

(C) the Issuing Lenders.

(ii) Certain Conditions to Assignments. Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 unless the Borrower and the Administrative Agent otherwise consent, provided that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing,

(B) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500, and

(C) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(iii) Effectiveness of Assignments. Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and

obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 10.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) Maintenance of Register by the Administrative Agent. The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent, the Issuing Lenders and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, any Issuing Lender and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Acceptance of Assignments by Administrative Agent. Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) Participations.

(i) Participations Generally. Any Lender may, without the consent of the Borrower, the Administrative Agent or any Issuing Lender, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement and the other Loan Documents (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement and the other Loan Documents shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent, the Issuing Lenders and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and the other Loan Documents. 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 the other Loan Documents and to approve any amendment, modification or waiver of any provision of this Agreement or any other Loan Document; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 10.02(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of, and subject to the limitations of, Sections 2.15, 2.16 and 2.17 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.08 as though it were a Lender, provided that such Participant agrees to be subject to Section 2.18(c) as though it were a Lender. Each Lender that sells a participation, acting solely for this purpose as an agent of the Borrower, shall 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 this Agreement (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any Loan Document) 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, and

such Lender, each Loan Party and the Administrative Agent shall treat each person whose name is recorded in the Participant Register pursuant to the terms hereof as the owner of such participation for all purposes of this Agreement, notwithstanding notice to the contrary.

(ii) Limitations on Rights of Participants. A Participant shall not be entitled to receive any greater payment under Section 2.15 or 2.17 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent and except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. No Participant shall be entitled to the benefits of Section 2.17 unless such Participant complies with Section 2.17(f) and (g) as though it were a Lender.

(d) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 10.05 Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, any Issuing Lender or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, ~~2.17, 3.03~~ 2.17 and 10.03 and Article IX shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

SECTION 10.06 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 5.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "execute", "signed," "signature," 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, Borrowing Requests, Interest Election Requests, waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any

Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; 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.

SECTION 10.07 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 10.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrower against any of and all the obligations of the Borrower now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmaturing or such Lender is otherwise fully secured. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have. Each Lender agrees to notify the Borrower and the Administrative Agent as promptly as practicable after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 10.09 Governing Law; Jurisdiction; Consent to Service of Process.

(a) Governing Law. This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Submission to Jurisdiction. The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court 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 for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by 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 shall affect any right that the Administrative Agent, any Issuing Lender or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or its properties in the courts of any jurisdiction.

(c) Waiver of Venue. The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement 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 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 to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 10.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 10.10 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 10.11 Judgment Currency. This is an international loan transaction in which the specification of Dollars or any Foreign Currency, as the case may be (the "Specified Currency"), and payment in New York City or the country of the Specified Currency, as the case may be (the "Specified Place"), is of the essence, and the Specified Currency shall be the currency of account in all events relating to Loans denominated in the Specified Currency. The payment obligations of the Borrower under this Agreement shall not be discharged or satisfied by an amount paid in another currency or in another place, whether pursuant to a judgment or otherwise, to the extent that the amount so paid on conversion to the Specified Currency and transfer to the Specified Place under normal banking procedures does not yield the amount of the Specified Currency at the Specified Place due hereunder. If for the purpose of obtaining judgment in any court it is necessary to convert a sum due hereunder in the Specified Currency into another currency (the "Second Currency"), the rate of exchange that shall be applied shall be the rate at which in accordance with normal banking procedures the Administrative Agent could purchase the Specified Currency with the Second Currency on the Business Day next preceding the day on which such judgment is rendered. The obligation of the Borrower in respect of any such sum due from it to the Administrative Agent or any Lender hereunder or under any other Loan Document (in this Section called an "Entitled Person") shall, notwithstanding the rate of exchange actually applied in rendering such judgment, be discharged only to the extent that on the Business Day following receipt by such Entitled Person of any sum adjudged to be due hereunder in the Second Currency such Entitled Person may in accordance with normal banking procedures purchase and transfer to the Specified Place the Specified Currency with the amount of the Second Currency so adjudged to be due; and the Borrower hereby, as a separate obligation and notwithstanding any such judgment, agrees to indemnify such Entitled Person against, and to pay such Entitled Person on demand, in the Specified Currency, the amount (if any) by which the sum originally due to such Entitled Person in the Specified Currency hereunder exceeds the amount of the Specified Currency so purchased and transferred.

SECTION 10.12 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 10.13 Confidentiality. Each of the Administrative Agent, the Issuing Lenders and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by ~~applicable laws~~ Applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (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 relating to the Borrower and

its obligations, (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided hereunder or (ii) the CUSIP Service Bureau or any similar agency in connection with the application, issuance, publishing and monitoring of CUSIP numbers of other market identifiers with respect to the credit facilities provided hereunder, (h) with the consent of the Borrower or (hi) to the extent such Information (ix) becomes publicly available other than as a result of a breach of this Section or (iy) becomes available to the Administrative Agent, any Issuing Lender or any Lender on a nonconfidential basis from a source other than the Borrower. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and its terms to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent and the Lenders in connection with the administration of this Agreement, the other Loan Documents, and the Commitments.

For the purposes of this Section, "Information" means all information received from the Borrower or its Affiliates relating to the Borrower, its Subsidiaries or their businesses, other than any such information that is available to the Administrative Agent, any Issuing Lender or any Lender on a nonconfidential basis prior to disclosure by the Borrower and other than information pertaining to this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry; provided that, in the case of information received from the Borrower after the ~~date hereof~~ Third Restatement Effective Date, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section 10.13 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 10.14 USA PATRIOT ACT. Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), such Lender may be required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with said Act.

SECTION 10.15 Releases of Liens.

(a) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the Administrative Agent is hereby irrevocably authorized by each Lender (without requirement of notice to or consent of any Lender except as expressly required by Section 10.01) to take (and the Administrative Agent shall take) any action requested by the Borrower that is necessary to release the Collateral (including any UCC termination statements, lien releases, re-assignments of trademarks, discharges of security interests and other similar discharge or release documents (and, if applicable, in recordable form)) (i) to the extent necessary to permit consummation of any transaction expressly permitted by any Loan Document or that has been consented to in accordance with Section 10.02 and (ii) under the circumstances described in paragraph (b) below.

(b) At such time as the Loans and the other Obligations under the Loan Documents shall have been paid in full, the Commitments have expired or been terminated and no Letters of Credit shall be outstanding, the Collateral shall be released from the Liens created by the Security Documents, and the Security Documents and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent and each Loan Party under the Loan Documents shall terminate, all without delivery of any instrument or performance of any act by any Person.

SECTION 10.16 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial

Institution arising under any Loan Document may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and
- (b) the effects of any Bail-In Action on any such liability, including, if applicable:
 - (i) a reduction in full or in part or cancellation of any such liability;
 - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or
 - (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

SECTION 10.17 No Novation. The terms and conditions of the Previous Credit Agreement are amended as set forth herein, and restated in their entirety and superseded by, this Agreement. Nothing in this Agreement shall be deemed to work a novation of any of the obligations under the Previous Credit Agreement. Notwithstanding any provision of this Agreement or any other document or instrument executed in connection herewith, the execution and delivery of this Agreement and the incurrance of obligations hereunder shall be in substitution for, but not in payment of, the obligations owed by the Borrowers under the Previous Credit Agreement. From and after the ~~date hereof~~ [Third Restatement Effective Date](#), each reference to the "Credit Agreement" or other reference originally applicable to the Previous Credit Agreement contained in any document executed and delivered in connection therewith shall be a reference to this Agreement, as amended, supplemented, restated or otherwise modified from time to time.

[Signature Pages Follow]

SCHEDULE 1.01

COMMITMENTS

<u>Lender</u>	<u>Commitment</u>
Bank of America, N.A.	\$59,000,000.00
Deutsche Bank AG New York Branch	\$59,000,000.00
Wells Fargo Bank, National Association	\$58,000,000.00
BNP Paribas Corp.	\$40,000,000.00
Capital One, National Association	\$32,000,000.00
Citizens Bank, National Association	\$32,000,000.00
Manufacturers and Traders Trust Company	\$26,000,000.00
KeyBank National Association	\$22,000,000.00
BMO Harris Bank N.A.	\$22,000,000.00
TOTAL	\$350,000,000.00

SCHEDULE 4.14

LABOR MATTERS

AMES

- The collective bargaining agreement between Ames and USW Local 1688-09 was initially in effect from October 1, 2013 to October 1, 2017, with automatic yearly renewal periods unless either party provides written notice at least 60 days prior to the expiration date for the applicable term. This agreement was renewed and is currently in effect from October 1, 2017 to October 1, 2021.
- Canada - the collective bargaining agreement between Garant and the Union Workers of Garant Tools – CSN (Confederation des syndicats nationaux) (the “CSN CBA”) was initially in effect from October 12, 2013 to October 11, 2018. Parties are currently negotiating a new agreement to be in effect until October, 2023. The CSN CBA will continue in effect until this new agreement is ratified.
- Ireland - the collective bargaining agreement between True Temper Limited and the Services, Industrial, Professional Trade Union (SIPTU) in effect from August 22, 1985.
- Australia – Cyclone Industries Pty Ltd Collective Bargaining Workshop Agreement 2010 with the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union was initially in effect until June 30, 2017. The agreement was renewed and is currently in effect until July, 2020.
- Australia - Enterprise Bargaining Agreement (EBA) – Agreement expires in July, 2019 (Sydney - Wetherill Park Cyclone Tools operations).

TELEPHONICS

- The collective bargaining agreement between Telephonics Corporation and Local 312 affiliated with the Production, Service and Sales District Council, U.F.C.W, will expire on 10/6/2019.

SCHEDULE 4.15(a)

PERFECTION SCHEDULE

Filings and Offices

a. UCC-3 Financing Statement Amendments with respect to the applicable UCC-1 Financing Statements filed against the respective Loan Parties by JPMorgan Chase Bank, N.A., as Administrative Agent to be filed in the jurisdictions and in the manner set forth below:

Delaware:

Delaware Secretary of State
John G. Townsend Building
401 Federal St., Suite 4
Dover, DE 19901

1. UCC-3 Financing Statement Amendments to be filed with respect to the UCC-1 Financing Statements set forth below to change the secured party from “JPMorgan Chase Bank, N.A., as Administrative Agent” to “Bank of America, N.A., as Administrative Agent”:
 - i. 2011 1799769 (filed against Griffon Corporation)
 - ii. 2008 1115565 (filed against Telephonics Corporation)
 - iii. 2011 1799835 (filed against Telephonics Corporation)
 - iv. 2008 2164125 (filed against Clopay Building Products Company, Inc.)
 - v. 2011 1799579 (filed against Clopay Building Products Company, Inc.)
 - vi. 2010 3409632 (filed against The Ames Companies, Inc.)
 - vii. 2011 1799504 (filed against The Ames Companies, Inc.)
 - viii. 2014 1619949 (filed against The Ames Companies, Inc.)
 - ix. 2014 1663376 (filed against The Ames Companies, Inc.)
 - x. 2010 2636789 (filed against Clopay Ames True Temper Holding Corp.)
 - xi. 2012 2526368 (filed against Clopay Ames True Temper Holding Corp.)
 - xii. 2012 2526285 (filed against ATT Southern, Inc.)
 - xiii. 2017 6587569 (filed against ClosetMaid LLC)
 - xiv. 2018 3782261 (filed against CornellCookson, LLC)

Arizona:

Arizona Office of the Secretary of State
1700 W Washington St Fl 7
Phoenix AZ 85007-2808

1. UCC-1 Financing Statement to be filed against “Cornell Real Estate Holdings, LLC”
2. UCC-3 Financing Statement Amendment to be filed with respect to UCC-1 Financing Statement No. 2018-002-0128-2 to change the debtor’s name from “Cactus Realty, LLC” to “Cornell Real Estate Holdings, LLC”
3. UCC-3 Financing Statement Amendment to be filed with respect to UCC-1 Financing Statement No. 2018-002-0128-2 filed against Cornell Real Estate Holdings, LLC to change the secured party from “JPMorgan Chase Bank, N.A., as Administrative Agent” to “Bank of America, N.A., as Administrative Agent”

- b. The Administrative Agent's security interests in the intellectual property rights of the Borrower and the Guarantors that are granted pursuant to the Security Agreement shall be perfected in the United States by (a) the filing (i) by each applicable Loan Party of a grant of Security Interest in issued patents and patent applications, in favor of the Administrative Agent, with the US Patent and Trademark Office, (ii) by each applicable Loan Party of a grant of Security Interest in registered trademarks and trademark applications in favor of the Administrative Agent, with the US Patent and Trademark Office and (iii) by each of applicable Loan Party of a grant of security interest in registered copyrights and copyright applications in favor of the Administrative Agent, with the US Copyright Office, and (b) the filing of duly completed and authorized UCC financing statements with the applicable filing offices, to the extent that a security interest can be perfected by such filings.

SCHEDULE 4.16

CAPITALIZATION & SUBSIDIARIES

<u>Entity name</u>	<u>Jurisdiction</u>	<u>Ownership and Equity Interests</u>
1. Clopay Corporation	Delaware	100% owned by Griffon Corporation
2. Clopay Service Company, Inc.	Delaware	Not owned by any Loan Party.
3. Holmes Hally Industries	California	Not owned by any Loan Party.
4. Adams Bros Interiors of Nevada, Inc.	Nevada	Not owned by any Loan Party.
5. Adams Bros Interiors & Cabinets, Inc.	Arizona	Not owned by any Loan Party.
6. Residential Construction Specialties, Inc.	Georgia	Not owned by any Loan Party
7. AB Installations, Inc.	Nevada	Not owned by any Loan Party.
8. Clopay Ames True Temper Holding Corp.	Delaware	Not owned by any Loan Party.
9. Clopay Building Products Company, Inc.	Delaware	100% owned by Clopay Ames True Temper Holding Corp.
10. Clopay Transportation Company	Delaware	100% owned by Clopay Building Products Company, Inc.
11. AGD&F, Inc.	Minnesota	100% owned by Clopay Building Products Company, Inc.
12. Clopay Acquisition Company, Inc.	Delaware	100% owned by Clopay Building Products Company, Inc.
13. CornellCookson, LLC	Delaware	Not owned by any Loan Party.
14. Cornell Iron Works, Inc.	Delaware	100% owned by CornellCookson, LLC
15. The Cookson Company, Inc.	Delaware	100% owned by CornellCookson, LLC
16. CC Installation Company, Inc.	Delaware	100% owned by CornellCookson, LLC
17. Cornell Real Estate Holdings, LLC	Arizona	100% owned by CornellCookson, LLC

18. Cornell Storefront Systems, Inc.

Delaware

100% owned by CornellCookson, LLC

19. Clopay Plastic Products International Sales Corporation	Ohio	100% owned by Clopay Ames True Temper Holding Corp.
20. Clopay Canada Inc.	Ontario, Canada	100% owned by Clopay Building Products Company, Inc.
21. The Ames Companies, Inc.	Delaware	100% owned by Clopay Ames True Temper Holding Corp.
22. Ames Holdings, Inc.	Delaware	100% owned by The Ames Companies, Inc.
23. 1346039 Alberta ULC	Alberta	100% owned by The Ames Companies, Inc.
24. 1346022 Alberta ULC	Alberta	Not owned by any Loan Party.
25. Garant GP	Ontario	Not owned by any Loan Party.
26. True Temper Limited	Ireland	100% owned by The Ames Companies, Inc.
27. Ames True Temper de Mexico, S. De R.L. de C.V.	Mexico	The partners of this entity are The Ames Companies, Inc. (1%) and Ames Holdings, Inc. (99%)
28. Ames True Temper Australia Pty Ltd.	Australia	Not owned by any Loan Party.
29. Instrument Systems Corporation	Delaware	100% owned by Griffon Corporation
30. ISC Properties, Inc.	New York	100% owned by Griffon Corporation
31. Lightron Corporation	Delaware	100% owned by Griffon Corporation
32. S.K. Inc.	Delaware	Not owned by any Loan Party.
33. Telephonics TLSI Corporation	New York	100% owned by Telephonics Corporation
34. Exphonics, Inc.	Delaware	100% owned by Griffon Corporation
35. ISC Development Corporation	New York	Not owned by any Loan Party.
36. ISC Park Avenue Corporation	New York	Not owned by any Loan Party.

37. ISC Farmingdale Corporation	New York	Not owned by any Loan Party.
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38. SKG Realty Corporation	New Jersey	Not owned by any Loan Party.
39. Instrument Systems Realty Corporation	New York	Not owned by any Loan Party.
40. Gritel Holding Co., Inc.	Delaware	100% owned by Griffon Corporation
41. Telephonics Corporation	Delaware	Not owned by any Loan Party.
42. Systems Engineering Group, Inc.	Maryland	100% owned by Telephonics Corporation
43. Telephonics Sweden AB	Sweden	100% owned by Telephonics Corporation
44. Clopay Ames True Temper LLC	Delaware	Not owned by any Loan Party.
45. ATT Southern LLC	Delaware	100% owned by The Ames Companies, Inc.
46. The Ames Companies UK Ltd.	England and Wales	100% owned by The Ames Companies, Inc.
47. La Hacienda Limited	England and Wales	Not owned by any Loan Party.
48. Altia Holdings Limited	England and Wales	Not owned by any Loan Party.
49. Kelkay Limited	England and Wales	Not owned by any Loan Party.
50. Griffon Australia Holdings Pty Limited	Australia	100% owned by The Ames Companies, Inc.
51. AMES Australasia Pty Ltd.	Australia	Not owned by any Loan Party.
52. Northcote Pots Australia Pty Ltd.	Australia	Not owned by any Loan Party.
53. Northcote Imports Pty Ltd.	Australia	Not owned by any Loan Party.
54. Northcote International Ltd.	Hong Kong	Not owned by any Loan Party.
55. Ames New Zealand (f/k/a Tiki Trading Pty Ltd.)	New Zealand	Not owned by any Loan Party.

56. Ames True Temper Global Sourcing Office	China	100% owned by The Ames Companies, Inc.
57. ClosetMaid LLC	Delaware	100% owned by The Ames Companies, Inc.

58. Clairson, Inc.	Delaware	100% owned by ClosetMaid LLC
59. ClosetMaid Canada Limited	Canada	100% owned by ClosetMaid LLC
60. Comercializadora ClosetMaid S. de R.L. de C.V.	Mexico	100% owned by ClosetMaid LLC
61. ClosetMaid Reynosa S. de R.L. de C.V.	Mexico	100% owned by ClosetMaid LLC
62. ClosetMaid (Juangmen) Storage Limited	China	100% owned by ClosetMaid LLC

SCHEDULE 10.01

ADDRESSES FOR NOTICE³

(1) Borrower:

Griffon Corporation
712 Fifth Avenue, 18th Floor
New York, New York 10019
Attention: General Counsel
Telecopy No.: 212-957-5040
Telephone No.: 212-957-5002

with a copy, which shall not constitute notice, to:

Dechert LLP
Three Bryant Park
1095 Avenue of the Americas
New York, New York 10036
Attention: Jeffrey M. Katz
Telephone: 212 698 3665
E-Mail: jeffrey.katz@dechert.com

(2) Bank of America, as Administrative Agent:

Bank of America, N.A.
Agency Management
2380 Performance Drive, Building C
Richardson, TX 75082
Mail Code: TX2-984-03-26
Attention: Gavin Shak
Telecopy No.: 214-530-3108
Telephone No.: 214-209-0529
Email: gavin.shak@baml.com

and, if such notice or other communication relates to borrowings of, or payments or prepayments of, or the duration of Interest Periods for, Loans denominated in a Foreign Currency, also to:

Bank of America, N.A.
Credit Services
One Independence Center
101 N. Tryon St.
Charlotte, NC 28255
Mail Code: NC1-001-05-46
Attention: Susan Smith
Telephone No.: 980-386-7637
E-mail: susan.t.smith@baml.com

³ To be updated as necessary.

(3) Bank of America, as an Issuing Lender:

Bank of America, N.A.

Trade Operations

1 Fleet Way

Scranton, PA 18507

Mail Code: PA6-580-02-30

Attention: Charles Herron

Telecopy No.: 800-755-8743

Telephone No.: 570-496-9564

E-mail: Scranton_standby_lc@bankofamerica.com

FORM OF BORROWING REQUEST

Date: _____, _____

To: Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Third Amended and Restated Credit Agreement, dated as of March 22, 2016 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement;" the terms defined therein being used herein as therein defined), among Griffon Corporation, a Delaware Corporation (the "Borrower"), the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent and an Issuing Lender, and the other parties from time to time party thereto.

The undersigned hereby requests a Borrowing:

1. On ___ (a Business Day).
2. In the amount of [\$]___ [in the following currency: _____].
3. Comprised of _____.
[Type of Loan requested]
4. For Eurocurrency Loans: with an Interest Period of ___ months.
5. Location and number of the Borrower's account to which proceeds of Borrowings are to be disbursed: _____.

The Borrower hereby represents and warrants that the conditions specified in Section 5.02 of the Credit Agreement shall be satisfied on and as of the date of the Borrowing.

GRIFFON CORPORATION

By: _____

Name: _____

Title: _____

FORM OF INTEREST ELECTION REQUEST

Pursuant to that certain Third Amended and Restated Credit Agreement, dated as of March 22, 2016 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement," the terms defined therein being used herein as therein defined), among Griffon Corporation, a Delaware Corporation (the "Borrower"), the Lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent and an Issuing Lender, and the other parties from time to time party thereto, the Borrower hereby requests to convert or continue Loans originally dated as of _____, _____ with an aggregate principal amount of [\$]_____ [in the following currency: _____] (the "Original Borrowing") as follows:

Effective Date of conversion/continuation (which shall be a Business Day):

Amount of Borrowing being converted/continued: [\$]_____ [in the following currency: _____]

Type of Borrowing being converted/continued: _____

Nature of conversion/continuation:

a. Conversion of ABR Borrowing to Eurocurrency Borrowing

Specify portion of Original Borrowing to be allocated to such resulting Eurocurrency Borrowing, if applicable: \$_____

b. Conversion of Eurocurrency Borrowing to ABR Borrowing

Specify portion of Original Borrowing to be allocated to such resulting ABR Borrowing, if applicable: \$_____

c. Continuation of Eurocurrency Borrowing as such

Specify portion of Original Borrowing to be allocated to such continuation of Eurocurrency Borrowing, if applicable: \$_____

If Borrowings are being continued as or converted to Eurocurrency Borrowings, the duration of the new Interest Period (as contemplated by the definition of "Interest Period" in the Credit Agreement) that commences on the conversion/continuation date: ____ month(s)

GRIFFON CORPORATION

By: _____

Name: _____

Title: _____

FORM OF
ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the “Assignment and Assumption”) is dated as of the Effective Date set forth below and is entered into between the Assignor named below (the “Assignor”) and the Assignee named below (the “Assignee”). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the “Credit Agreement”), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent below (i) all of the Assignor’s rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit, guarantees, and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under Applicable Law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the “Assigned Interest”). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: ___

2. Assignee: ___

[and is an Affiliate/Approved Fund of

[*identify Lender*]]

3. Borrower(s): ___

4. Administrative Agent: Bank of America, N.A., as administrative agent under the Credit Agreement

5. Credit Agreement: The Third Amended and Restated Credit Agreement dated as of March 22, 2016 among Griffon Corporation, the Lenders parties thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other parties party thereto (as amended, restated, amended and restated, supplemented or otherwise modified from time to time)

6. Assigned Interest:

Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/Loans ⁴
\$	\$	%

Effective Date: _____, 20__ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The Assignee agrees to deliver to the Administrative Agent a completed administrative questionnaire in which the Assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower, the Loan Parties and their Affiliates or their respective securities) will be made available and who may receive such information in accordance with the Assignee's compliance procedures and Applicable Laws, including Federal and state securities laws.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

NAME OF ASSIGNOR

By: ___

Title:

ASSIGNEE

NAME OF ASSIGNEE

By: ___

Title:

⁴ Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders.

Consented to and Accepted:

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

By: _____
Title:

[Consented to:]⁵

GRIFFON CORPORATION

By: _____
Title:

Consented to:

[ISSUING LENDER], as Issuing Lender

By: _____
Title:

⁵ Consent of the Borrower not required if assignment is to a Lender, an Affiliate of a Lender or an Approved Fund, or if an Event of Default has occurred and is continuing. Unless the Borrower objects to an assignment by written notice within five Business Days, the Borrower shall be deemed to have consented.

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is not a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 6.01 thereof, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender and (vi) if it is a Non-U.S. Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date. Notwithstanding the foregoing, the Administrative Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to the Assignee.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and

Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by email or telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

CERTIFICATION

I, Ronald J. Kramer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Griffon Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2019

/s/ Ronald J. Kramer

Ronald J. Kramer

Chief Executive Officer

(Principal Executive Officer)

CERTIFICATION

I, Brian G. Harris, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Griffon Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2019

/s/ Brian G. Harris

Brian G. Harris

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

**CERTIFICATIONS PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Ronald J. Kramer, Chief Executive Officer of Griffon Corporation, hereby certify that the Form 10-Q of Griffon Corporation for the period ended March 31, 2019 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of Griffon Corporation.

/s/ Ronald J. Kramer

Name: Ronald J. Kramer

Date: May 2, 2019

I, Brian G. Harris, Senior Vice President and Chief Financial Officer of Griffon Corporation, hereby certify that the Form 10-Q of Griffon Corporation for the period ended March 31, 2019 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of Griffon Corporation.

/s/ Brian G. Harris

Name: Brian G. Harris

Date: May 2, 2019

A signed original of this written statement required by Section 906 has been provided to Griffon Corporation and will be retained by Griffon Corporation and furnished to the Securities and Exchange Commission or its staff upon request.