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 October 31, 2018

☐ **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: 1-16497

MOVADO GROUP, INC.
(Exact Name of Registrant as Specified in its Charter)

New York	**13-2595932**
(State or Other Jurisdiction of Incorporation or Organization)	**(IRS Employer Identification No.)**
650 From Road, Ste. 375 Paramus, New Jersey	**07652-3556**
(Address of Principal Executive Offices)	**(Zip Code)**

(201) 267-8000
(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 that 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 the definitions of "large accelerated filer,'' "accelerated filer,'' "smaller reporting company,'' and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

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

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

The number of shares outstanding of the registrant's Common Stock and Class A Common Stock as of November 26, 2018 were 16,499,084 and 6,596,780 , respectively.

MOVADO GROUP, INC.

Index to Quarterly Report on Form 10-Q
October 31, 2018

PART I – FINANCIAL INFORMATION
Item 1. Financial Statements

MOVADO GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)
(Unaudited)

	October 31, 2018	January 31, 2018	October 31, 2017
ASSETS			
Current assets:			
Cash and cash equivalents	$ 142,668	$ 214,811	$ 155,484
Trade receivables, net	126,106	83,098	132,941
Inventories	183,539	151,676	169,866
Other current assets	31,590	32,015	26,361
Total current assets	483,903	481,600	484,652
Property, plant and equipment, net	25,471	24,671	24,637
Deferred and non-current income taxes	17,400	6,443	23,610
Goodwill	131,756	60,269	56,316
Other intangibles, net	47,479	23,124	22,568
Other non-current assets	57,907	49,273	47,783
Total assets	$ 763,916	$ 645,380	$ 659,566
LIABILITIES AND EQUITY			
Current liabilities:			
Loans payable to bank, current	$ —	$ 25,000	$ 5,000
Accounts payable	47,164	24,364	28,014
Accrued liabilities	80,291	47,943	62,666
Income taxes payable	9,617	2,989	5,192
Total current liabilities	137,072	100,296	100,872
Loans payable to bank	49,590	—	25,000
Deferred and non-current income taxes payable	29,519	33,063	7,501
Other non-current liabilities	66,721	41,686	38,752
Total liabilities	282,902	175,045	172,125
Commitments and contingencies (Note 9)			
Equity:			
Preferred Stock, $0.01 par value, 5,000,000 shares authorized; no shares issued	—	—	—
Common Stock, $0.01 par value, 100,000,000 shares authorized; 27,676,495, 27,342,802 and 27,324,319 shares issued and outstanding, respectively	276	273	273
Class A Common Stock, $0.01 par value, 30,000,000 shares authorized; 6,596,780, 6,641,950 and 6,641,950 shares issued and outstanding, respectively	66	66	66
Capital in excess of par value	199,822	189,808	189,332
Retained earnings	418,337	388,739	425,649
Accumulated other comprehensive income	76,110	100,343	80,388
Treasury Stock, 11,164,865, 11,046,671 and 11,026,671 shares, respectively, at cost	(213,597)	(208,894)	(208,267)
Total Movado Group, Inc. shareholders' equity	481,014	470,335	487,441
Total liabilities and equity	$ 763,916	$ 645,380	$ 659,566

See Notes to Consolidated Financial Statements

MOVADO GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2018	2017	2018	2017
Net sales	$ 208,949	$ 190,693	$ 480,191	$ 418,739
Cost of sales	95,585	86,623	221,469	199,406
Gross profit	113,364	104,070	258,722	219,333
Selling, general, and administrative	89,257	78,885	213,616	189,479
Operating income	24,107	25,185	45,106	29,854
Interest expense	(146)	(445)	(530)	(1,191)
Interest income	144	110	258	361
Income before income taxes	24,105	24,850	44,834	29,024
(Benefit)/provision for income taxes (Note 10)	(2,817)	7,490	657	10,341
Net income attributed to Movado Group, Inc.	$ 26,922	$ 17,360	$ 44,177	$ 18,683
Basic income per share:				
Weighted basic average shares outstanding	23,254	23,079	23,200	23,080
Net income per share attributed to Movado Group, Inc.	$ 1.16	$ 0.75	$ 1.90	$ 0.81
Diluted income per share:				
Weighted diluted average shares outstanding	23,698	23,273	23,624	23,261
Net income per share attributed to Movado Group, Inc.	$ 1.14	$ 0.75	$ 1.87	$ 0.80
Dividends declared per share	$ 0.20	$ 0.13	$ 0.60	$ 0.39

See Notes to Consolidated Financial Statements

MOVADO GROUP, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2018	2017	2018	2017
Comprehensive income, net of taxes:				
Net income	$ 26,922	$ 17,360	$ 44,177	$ 18,683
Net unrealized (loss) on investments, net of tax (benefit) of $(5), $(6), $(24) and $(6), respectively	(16)	(13)	(80)	(12)
Net change in effective portion of hedging contracts, net of tax (benefit) of $(13), $88, $7 and $9, respectively	(66)	448	38	37
Foreign currency translation adjustments	(4,210)	(5,525)	(24,191)	3,583
Total other comprehensive (loss) / income, net of taxes	(4,292)	(5,090)	(24,233)	3,608
Total comprehensive income attributed to Movado Group, Inc.	$ 22,630	$ 12,270	$ 19,944	$ 22,291

See Notes to Consolidated Financial Statements

MOVADO GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended October 31,	
	2018	**2017**
Cash flows from operating activities:		
Net income	$ 44,177	$ 18,683
Adjustments to reconcile net income to net cash provided by / (used in) operating activities:		
Depreciation and amortization	9,907	9,842
Transactional losses / (gains)	133	(859)
Write-down of inventories	2,233	1,930
Deferred income taxes	(7,538)	719
Stock-based compensation	4,287	3,644
(Benefit) for 2017 tax act	(3,929)	—
Cost savings initiative	—	13,437
Changes in assets and liabilities:		
Trade receivables	(47,754)	(62,175)
Inventories	(25,884)	(14,562)
Other current assets	2,154	1,647
Accounts payable	17,973	334
Accrued liabilities	23,238	18,296
Income taxes payable	5,513	373
Other non-current assets	900	(5,399)
Other non-current liabilities	1,436	4,664
Net cash provided by / (used in) operating activities	26,846	(9,426)
Cash flows from investing activities:		
Capital expenditures	(8,206)	(3,575)
Restricted cash deposits	—	1,018
Trademarks and other intangibles	(130)	(500)
Acquisition, net of cash acquired	(93,040)	(78,991)
Net cash (used in) investing activities	(101,376)	(82,048)
Cash flows from financing activities:		
Proceeds from bank borrowings	50,296	—
Repayments of bank borrowings	(25,000)	—
Stock options exercised and other changes	4,863	(626)
Dividends paid	(13,855)	(8,953)
Stock repurchase	(3,931)	(3,004)
Net cash provided by / (used in) financing activities	12,373	(12,583)
Effect of exchange rate changes on cash , cash equivalents, and restricted cash	(9,986)	3,262
Net (decrease) in cash, cash equivalents and restricted cash	(72,143)	(100,795)
Cash, cash equivalents, and restricted cash at beginning of period	215,411	256,879
Cash, cash equivalents, and restricted cash at end of period	$ 143,268	$ 156,084
Reconciliation of cash, cash equivalents, and restricted cash:		
Cash and cash equivalents	$ 142,668	$ 155,484
Restricted cash included in other non-current assets	600	600
Cash, cash equivalents, and restricted cash	$ 143,268	$ 156,084

See Notes to Consolidated Financial Statements

BASIS OF PRESENTATION

The accompanying interim unaudited consolidated financial statements have been prepared by Movado Group, Inc. (the "Company"), in a manner consistent with that used in the preparation of the annual audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2018 (the "2018 Annual Report on Form 10-K"). The unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which require the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the unaudited consolidated financial statements and the reported amounts of revenues and expenses during the periods reported. Actual results could differ from those estimates. In the opinion of management, the accompanying unaudited consolidated financial statements reflect all adjustments, consisting of only normal and recurring adjustments, necessary for a fair statement of the financial position and results of operations for the periods presented. The consolidated balance sheet data at January 31, 2018 is derived from the audited annual financial statements, which are included in the Company's 2018 Annual Report on Form 10-K and should be read in connection with these interim unaudited financial statements. Operating results for the interim periods presented are not necessarily indicative of the results that may be expected for the full year.

NOTE 1 – RECLASSIFICATIONS

As discussed below in Note 2 Accounting Pronouncements Recently Adopted, certain reclassifications were made to prior years' financial statement amounts and related note disclosures to conform to fiscal 2019 presentation.

NOTE 2 – ACCOUNTING PRONOUNCEMENTS RECENTLY ADOPTED

Revenue

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("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 Accounting Standard Updates; hereinafter, the collection of revenue guidance is referred to as "ASC 606".

On February 1, 2018, the Company adopted ASC 606 using the modified retrospective method and the Company recognized a reduction of $0.7 million to opening retained earnings as the cumulative effect of adopting the new revenue standard. This adjustment did not have a material impact on the Company's Consolidated Financial Statements. (See Note 17 - Revenue for additional disclosures required by ASC 606).

Statement of Cash Flows

In November 2016, the FASB issued ASU 2016-18, "Statement of Cash Flows (Topic 230) — Restricted Cash," which requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash and restricted cash equivalents. With this standard, amounts generally described as restricted cash or restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning of period and end of period total amounts shown on the statement of cash flows. The Company adopted this guidance on February 1, 2018, and the guidance has been retrospectively applied to all periods presented. The changes to the beginning of period balances presented in the consolidated statement of cash flows are as follows (in thousands):

	January 31, 2018		January 31, 2017	
	As adjusted	As previously reported	As adjusted	As previously reported
Cash and cash equivalents	$ 214,811	$ 214,811	$ 256,279	$ 256,279
Restricted funds included in other non-current assets	600	—	600	—
Beginning of period balance presented in the statement of cash flows	$ 215,411	$ 214,811	$ 256,879	$ 256,279

NOTE 3 – FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting guidance establishes a fair value hierarchy which prioritizes the inputs used in measuring fair value into three broad levels as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly.
- Level 3 – Unobservable inputs based on the Company's assumptions.

The following tables present the fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis (in thousands) as of October 31, 2018 and 2017 and January 31, 2018:

		Fair Value at October 31, 2018			
	Balance Sheet Location	Level 1	Level 2	Level 3	Total
Assets:					
Available-for-sale securities	Other current assets	$ 166	$ —	$ —	$ 166
Short-term investment	Other current assets	154	—	—	154
SERP assets - employer	Other non-current assets	1,270	—	—	1,270
SERP assets - employee	Other non-current assets	37,440	—	—	37,440
Total		$ 39,030	$ —	$ —	$ 39,030
Liabilities:					
SERP liabilities - employee	Other non-current liabilities	$ 37,440	$ —	$ —	$ 37,440
Hedge derivatives	Accrued liabilities	—	463	—	463
Contingent purchase price liability	Other non-current liabilities	—	—	16,600	16,600
Total		$ 37,440	$ 463	$ 16,600	$ 54,503

		Fair Value at January 31, 2018			
	Balance Sheet Location	Level 1	Level 2	Level 3	Total
Assets:					
Available-for-sale securities	Other current assets	$ 275	$ —	$ —	$ 275
Short-term investment	Other current assets	164	—	—	164
SERP assets - employer	Other non-current assets	994	—	—	994
SERP assets - employee	Other non-current assets	38,577	—	—	38,577
Hedge derivatives	Other current assets	—	544	—	544
Total		$ 40,010	$ 544	$ —	$ 40,554
Liabilities:					
SERP liabilities - employee	Other non-current liabilities	$ 38,577	$ —	$ —	$ 38,577
Hedge derivatives	Accrued liabilities	—	46	—	$ 46
Total		$ 38,577	$ 46	$ —	$ 38,623

		Fair Value at October 31, 2017			
	Balance Sheet Location	Level 1	Level 2	Level 3	Total
Assets:					
Available-for-sale securities	Other current assets	$ 291	$ —	$ —	$ 291
Short-term investment	Other current assets	156	—	—	156
SERP assets - employer	Other non-current assets	1,538	—	—	1,538
SERP assets - employee	Other non-current assets	35,532	—	—	35,532
Hedge derivatives	Other current assets	—	67	—	67
Total		$ 37,517	$ 67	$ —	$ 37,584
Liabilities:					
SERP liabilities - employee	Other non-current liabilities	$ 35,532	$ —	$ —	$ 35,532
Hedge derivatives	Accrued liabilities	—	685	—	685
Total		$ 35,532	$ 685	$ —	$ 36,217

The fair values of the Company's available-for-sale securities are based on quoted prices. The fair value of the short-term investment, which is a guaranteed investment certificate, is based on its purchase price plus one half of a percent calculated annually. The assets related to the Company's defined contribution supplemental executive retirement plan ("SERP") consist of both employer (employee unvested) and employee assets which are invested in investment funds with fair values calculated based on quoted market prices. The SERP liability represents the Company's liability to the employees in the plan for their vested balances. The hedge derivatives are entered into by the Company principally to reduce its exposure to Swiss franc and Euro exchange rate risks. Fair values of the Company's hedge derivatives are calculated based on quoted foreign exchange rates and quoted interest rates.

The fair value of the Level 3 contingent purchase price liability related to the acquisition of MVMT Watches, Inc. owner of MVMT, a global aspirational lifestyle brand, is measured using a Monte Carlo simulation with key assumptions that include revenue and brand EBITDA, (as defined in the acquisition agreement) of the acquired business during the earn-out period, volatilities, estimated discount rates, risk-free rate, and correlation. The liability is revalued each reporting period after the acquisition and increases or decreases in the fair value of the liability are recorded in the Consolidated Statements of Operations. Changes in fair value can result from the estimated achievement of the revenue and brand EBITDA performance hurdles, and movements in discount rates, volatilities, and the other key assumptions. The inputs and assumptions are not observable in the market but reflect the assumptions we believe would be made by a market participant.

The following table presents the change in the Level 3 contingent purchase price liability during the three and nine months ended October 31, 2018:

(In thousands)	Three Months Ended October 31, 2018	Nine Months Ended October 31, 2018
Beginning Balance	$ —	$ —
Acquisition of MVMT	$ 16,500	$ 16,500
Payments	—	—
Adjustments included in earnings	100	100
Ending Balance	$ 16,600	$ 16,600

There were no transfers between any levels of the fair value hierarchy for any of the Company's fair value measurements.

NOTE 4 – EQUITY

The components of equity for the nine months ended October 31, 2018 and 2017 are as follows (in thousands):

	Movado Group, Inc. Shareholders' Equity						
	Common Stock (1)	Class A Common Stock (2)	Capital in Excess of Par Value	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income	Total
Balance, January 31, 2018	$ 273	$ 66	$ 189,808	$ 388,739	$ (208,894)	$ 100,343	$ 470,335
Net income				44,177			44,177
Dividends				(13,855)			(13,855)
Adoption of new revenue recognition Standard (Topic 606)				(724)			(724)
Stock repurchase					(3,931)		(3,931)
Stock options exercised	3		5,632		(772)		4,863
Supplemental executive retirement plan			95				95
Stock-based compensation expense			4,287				4,287
Net unrealized loss on investments, net of tax benefit of $24						(80)	(80)
Net change in effective portion of hedging contracts, net of tax of $7						38	38
Foreign currency translation adjustment (3)						$ (24,191)	$ (24,191)
Balance, October 31, 2018	$ 276	$ 66	$ 199,822	$ 418,337	$ (213,597)	$ 76,110	$ 481,014

	Common Stock (1)	Class A Common Stock (2)	Capital in Excess of Par Value	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income	Total
Balance, January 31, 2017	$ 272	$ 66	$ 185,354	$ 415,919	$ (204,398)	$ 76,780	$ 473,993
Net income				18,683			18,683
Dividends				(8,953)			(8,953)
Stock repurchase					(3,004)		(3,004)
Stock options exercised	1		238		(865)		(626)
Supplemental executive retirement plan			96				96
Stock-based compensation expense			3,644				3,644
Net unrealized loss on investments, net of tax benefit of $6						(12)	(12)
Net change in effective portion of hedging contracts, net of tax of $9						37	37
Foreign currency translation adjustment (3)						3,583	3,583
Balance, October 31, 2017	$ 273	$ 66	$ 189,332	$ 425,649	$ (208,267)	$ 80,388	$ 487,441

(1) Each share of common stock is entitled to one vote per share on all matters submitted to a vote of the shareholders.

(2) Each share of class A common stock is entitled to 10 votes per share on all matters submitted to a vote of the shareholders. Each holder of class A common stock is entitled to convert, at any time, any and all of such shares into the same number of shares of common stock. Each share of class A common stock is converted automatically into common stock in the event that the beneficial or record ownership of such shares of class A common stock is transferred to any person, except to certain family members or affiliated persons deemed "permitted transferees" pursuant to the Company's Restated Certificate of Incorporation as amended. The class A common stock is not publicly traded, and consequently, there is currently no established public trading market for these shares.

(3) The currency translation adjustment is not adjusted for income taxes to the extent that it relates to permanent investments of earnings in international subsidiaries.

NOTE 5 – SEGMENT AND GEOGRAPHIC INFORMATION

The Company follows accounting guidance which requires disclosure of segment data based on how management makes decisions about allocating resources to segments and measuring their performance.

As of October 31,2018, the Company's two operating segments, formerly named Wholesale and Retail, are now referred to as Watch and Accessory Brands and Company Stores, respectively. There is no change to how the Company conducts its business within these two operating segments. The Company's Watch and Accessory Brands segment includes the designing, manufacturing and distribution of watches of quality owned brands and licensed brands, in addition to revenue generated from after-sales service activities and shipping. The Company Stores segment includes the Company's retail outlet locations in the United States and Canada.

The Company divides its business into two major geographic locations: United States operations, and International, which includes the results of all non-U.S. Company operations. The allocation of geographic revenue is based upon the location of the customer. The Company's International operations in Europe, the Americas (excluding the United States), Asia and the Middle East accounted for 34.3%, 8.3%, 6.1% and 6.0%, respectively, of the Company's total net sales for the three months ended October 31, 2018. For the three months ended October 31, 2017, the Company's International operations in Europe, the Americas (excluding the United States), the Middle East and Asia accounted for 35.7%, 8.4%, 6.5% and 4.5%, respectively, of the Company's total net sales.

The Company's International operations in Europe, the Americas (excluding the United States), the Middle East and Asia accounted for 33.5%, 9.3%, 8.2% and 7.0%, respectively, of the Company's total net sales for the nine months ended October 31, 2018. For the nine months ended October 31, 2017, the Company's International operations in Europe, the Americas (excluding the United States), the Middle East and Asia accounted for 31.7%, 9.4%, 7.8% and 5.2%, respectively, of the Company's total net sales.

Operating Segment Data for the Three Months Ended October 31, 2018 and 2017 (in thousands):

	Net Sales	
	2018	2017
Watch and Accessory Brands:		
Owned brands category	$ 80,155	$ 75,138
Licensed brands category	107,694	95,015
After-sales service and all other	1,533	2,159
Total Watch and Accessory Brands	189,382	172,312
Company Stores	19,567	18,381
Consolidated total	$ 208,949	$ 190,693

	Operating Income (3) (4)	
	2018	2017
Watch and Accessory Brands	$ 21,216	$ 22,250
Company Stores	2,891	2,935
Consolidated total	$ 24,107	$ 25,185

Operating Segment Data for the Nine Months Ended October 31, 2018 and 2017 (in thousands):

	Net Sales	
	2018	2017
Watch and Accessory Brands:		
Owned brands category	$ 173,270	$ 154,620
Licensed brands category	243,267	208,914
After-sales service and all other	8,026	6,956
Total Watch and Accessory Brands	424,563	370,490
Company Stores	55,628	48,249
Consolidated total	$ 480,191	$ 418,739

	Operating Income (3) (4)	
	2018	2017
Watch and Accessory Brands	$ 35,784	$ 22,559
Company Stores	9,322	7,295
Consolidated total	$ 45,106	$ 29,854

	Total Assets		
	October 31, 2018	January 31, 2018	October 31, 2017
Watch and Accessory Brands	$ 737,106	$ 621,965	$ 633,101
Company Stores	26,810	23,415	26,465
Consolidated total	$ 763,916	$ 645,380	$ 659,566

Geographic Location Data for the Three Months Ended October 31, 2018 and 2017 (in thousands):

	Net Sales		Operating Income / (Loss) (3) (4)	
	2018	2017	2018	2017
United States (1)	$ 94,219	$ 85,685	$ (4,473)	$ 2,971
International (2)	114,730	105,008	28,580	22,214
Consolidated total	$ 208,949	$ 190,693	$ 24,107	$ 25,185

United States and International net sales are net of intercompany sales of $109.4 million and $87.2 million for the three months ended October 31, 2018 and 2017, respectively.

Geographic Location Data for the Nine Months Ended October 31, 2018 and 2017 (in thousands):

	Net Sales		Operating Income / (Loss) (3) (4)	
	2018	2017	2018	2017
United States (1)	$ 202,081	$ 192,325	$ (12,666)	$ (5,409)
International (2)	278,110	226,414	57,772	35,263
Consolidated total	$ 480,191	$ 418,739	$ 45,106	$ 29,854

United States and International net sales are net of intercompany sales of $250.5 million and $211.8 million for the nine months ended October 31, 2018 and 2017, respectively.

(1) The United States operating income (loss) included $23.8 million and $15.8 million of unallocated corporate expenses for the three months ended October 31, 2018 and 2017, respectively. The United States operating loss included $44.5 million and $29.2 million of unallocated corporate expenses for the nine months ended October 31, 2018 and 2017, respectively.

(2) The International operating income included $17.9 million and $15.7 million of certain intercompany profits related to the Company's supply chain operations for the three months ended October 31, 2018 and 2017, respectively. The International operating income included $40.2 million and $31.2 million of certain intercompany profits related to the Company's supply chain operations for the nine months ended October 31, 2018 and 2017, respectively.

(3) In the United States and International location of the Watch and Accessory Brands segment, for the three months ended October 31,2017, operating income included a pre-tax charge of $0.1 million, as a result of the Company's cost savings initiatives. In the United States and International locations of the Watch and Accessory Brands segment, for the nine months ended October 31, 2017, operating (loss) / income included a pre-tax charge of $3.9 million and $9.5 million, respectively, as a result of the Company's cost savings initiatives.

(4) In the United States locations of the Watch and Accessory Brands segment, for the three months and nine months ended October 31, 2018, operating income included $10.9 and 11.9 million, respectively, of expenses primarily related to transaction costs and adjustments in acquisition accounting as a result of the Company's acquisition of the MVMT brand. In addition, in the International locations of the Watch and Accessory Brands segment, for the three months and nine months ended October 31, 2018, operating income included $0.7 and $2.2 million, respectively, of expenses primarily related to the amortization of acquired intangible assets, as a result of the Company's acquisition of the Olivia Burton brand. In the International location of the Watch and Accessory Brands segment, for the three months ended October 31, 2017, operating income included $1.4 million of expenses primarily related to the amortization of acquired assets, as a result of the Company's acquisition of the Olivia Burton brand. In the United States and International locations of the Watch and Accessory Brands segment, for the nine months ended October 31, 2017, operating (loss) / income included $0.2 million and $5.7 million, respectively, of expenses primarily related to transaction costs and adjustments in acquisition accounting, as a result of the Company's acquisition of the Olivia Burton brand.

	Total Assets		
	October 31, 2018	January 31, 2018	October 31, 2017
United States	$ 358,987	$ 188,346	$ 195,659
International	404,929	457,034	463,907
Consolidated total	$ 763,916	$ 645,380	$ 659,566

	Property, Plant and Equipment, Net		
	October 31, 2018	January 31, 2018	October 31, 2017
United States	$ 17,599	$ 16,570	$ 16,762
International	7,872	8,101	7,875
Consolidated total	$ 25,471	$ 24,671	$ 24,637

NOTE 6 – INVENTORIES

Inventories consisted of the following (in thousands):

	October 31, 2018	January 31, 2018	October 31, 2017
Finished goods	$ 143,134	$ 112,712	$ 129,981
Component parts	38,820	37,404	37,920
Work-in-process	1,585	1,560	1,965
	$ 183,539	$ 151,676	$ 169,866

NOTE 7 – DEBT AND LINES OF CREDIT

On October 12, 2018, Movado Group, Inc. (the "Company"), together with Movado Group Delaware Holdings Corporation, Movado Retail Group, Inc. and Movado LLC (together with the Company, the "U.S. Borrowers"), each a wholly owned domestic subsidiary of the Company, and Movado Watch Company SA and MGI Luxury Group S.A. (collectively, the "Swiss Borrowers" and, together with the U.S. Borrowers, the "Borrowers"), each a wholly owned Swiss subsidiary of the Company, entered into an Amended and Restated Credit Agreement (the "Credit Agreement") with the lenders party thereto and Bank of America, N.A. as administrative agent (in such capacity, the "Agent"). The Credit Agreement amends and restates the Company's existing credit agreement dated as of January 30, 2015 and extends the maturity of the $100.0 million senior secured revolving credit facility (the "Facility") provided thereunder to October 12, 2023. The Facility includes a $15.0 million letter of credit subfacility, a $25.0 million swingline subfacility and a $75.0 million sublimit for borrowings by the Swiss Borrowers, with provisions for uncommitted increases to the Facility of up to $50.0 million in the aggregate subject to customary terms and conditions.

As of October 31, 2018, there were 50.0 million in Swiss francs with a dollar equivalent of $49.6 million in loans drawn under the Facility. Additionally, approximately $0.3 million in letters of credit, which were outstanding under the Borrower's existing credit agreement, are deemed to be issued and outstanding under the Facility. As of October 31, 2018, availability under the Facility was approximately $50.1 million.

Borrowings under the Facility bear interest at rates selected periodically by the Company at LIBOR plus 1.00% per annum (subject to increases based on the Company's consolidated leverage ratio that could increase the rate up to a maximum of LIBOR plus 1.75% per annum) or a base rate plus 0% (subject to increases based on the Company's consolidated leverage ratio that could increase the rate up to a maximum of a base rate plus 0.75% per annum). The Company has also agreed to pay certain fees and expenses and to provide certain indemnities, all of which are customary for such financings.

The borrowings under the Facility are joint and several obligations of the Borrowers and are also cross-guaranteed by each Borrower, except that the Swiss Borrowers are not liable for, nor do they guarantee, the obligations of the U.S. Borrowers. In addition, the Borrowers' obligations under the Facility are secured by first priority liens, subject to permitted liens, on substantially all of the U.S. Borrowers' assets other than certain excluded assets. The Swiss Borrowers do not provide collateral to secure the obligations under the Facility. The security agreement under the Company's existing credit agreement remains in place in connection with the Facility and contains representations and warranties and covenants, which are customary for pledge and security agreements of this type, relating to the creation and perfection of security interests in favor of the Agent over various categories of the U.S. Borrowers' assets.

The Credit Agreement contains affirmative and negative covenants binding on the Company and its subsidiaries that are customary for credit facilities of this type, including, but not limited to, restrictions and limitations on the incurrence of debt and liens, dispositions of assets, capital expenditures, dividends and other payments in respect of equity interests, the making of loans and equity investments, mergers, consolidations, liquidations and dissolutions, and transactions with affiliates (in each case, subject to various exceptions).

The Borrowers are also subject to a minimum consolidated EBITDA (as defined in the Credit Agreement) test of $50.0 million, measured at the end of each fiscal quarter based on the four most recent fiscal quarters and a consolidated leverage ratio (as defined in the Credit Agreement) covenant not to exceed 2.50 to 1.00, measured as of the last day of each fiscal quarter. As of October 31, 2018, the Company was in compliance with its covenants under the Credit Agreement.

The Credit Agreement contains events of default that are customary for facilities of this type, including, but not limited to, nonpayment of principal, interest, fees and other amounts when due, failure of any representation or warranty to be true in any material respect when made or deemed made, violation of covenants, cross default with material indebtedness, material judgments, material ERISA liability, bankruptcy events, asserted or actual revocation or invalidity of the loan documents, and change of control.

As of October 31, 2018, Bank of America, N.A. issued two irrevocable standby letters of credit in connection with operating facility leases to the landlord, and for Canadian payroll to the Royal Bank of Canada. As of October 31, 2018, the Company had outstanding letters of credit totaling $0.3 million with expiration dates through May 31, 2019.

A Swiss subsidiary of the Company maintains unsecured lines of credit with an unspecified maturity with a Swiss bank. As of October 31, 2018, and 2017, these lines of credit totaled 6.5 million Swiss francs for both periods, with a dollar equivalent of $6.4 million and $6.5 million, respectively. As of October 31, 2018, and 2017, there were no borrowings against these lines. As of both October 31,2018 and 2017, two European banks had guaranteed obligations to third parties on behalf of two of the Company's foreign subsidiaries in the dollar equivalent of $1.1 million in various foreign currencies, of which $0.6 million was a restricted deposit as it relates to lease agreements.

NOTE 8 – EARNINGS PER SHARE

The Company presents net income per share on a basic and diluted basis. Basic earnings per share are computed using weighted-average shares outstanding during the period. Diluted earnings per share are computed using the weighted-average number of shares outstanding adjusted for dilutive common stock equivalents.

The weighted-average number of shares outstanding for basic earnings per share was approximately 23,254,000 and 23,079,000 for the three months ended October 31, 2018 and 2017, respectively. For the three months ended October 31, 2018 and 2017, the number of shares outstanding for diluted earnings per share increased by approximately 444,000 and 194,000, respectively, due to potentially dilutive common stock equivalents issuable under the Company's stock compensation plans and SERP.

For the three months ended October 31, 2018 and 2017, approximately 2,000 and 798,000, respectively, of potentially dilutive common stock equivalents were excluded from the computation of diluted earnings per share because their effect would have been antidilutive.

The weighted-average number of shares outstanding for basic earnings per share was approximately 23,200,000 and 23,080,000 for the nine months ended October 31, 2018 and 2017, respectively. For the nine months ended October 31, 2018 and 2017, the number of shares outstanding for diluted earnings per share increased by approximately 424,000 and 181,000, respectively, due to potentially dilutive common stock equivalents issuable under the Company's stock compensation plans and SERP.

For the nine months ended October 31, 2018 and 2017, approximately 77,000 and 803,000, respectively, of potentially dilutive common stock equivalents were excluded from the computation of diluted earnings per share because their effect would have been antidilutive.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

The Company has minimum commitments related to the Company's license agreements and endorsement agreements with brand ambassadors. The Company sources, distributes, advertises and sells watches pursuant to its exclusive license agreements with unaffiliated licensors. Royalty amounts under the license agreements are generally based on a stipulated percentage of revenues, although most of these agreements contain provisions for the payment of minimum annual royalty amounts. The license agreements have various terms and some have additional renewal options, provided that minimum sales levels are achieved. Additionally, the license agreements require the Company to pay minimum annual advertising amounts.

Due to the enactment of the Tax Cuts and Jobs Act ("2017 Tax Act"), the Company estimated a provisional obligation associated with the Transition Tax to be $28.2 million, which will be paid in installments over eight years. This provisional amount, as well as the current estimated timing of payments, is subject to change based on additional guidance from and interpretations by U.S. regulatory and standard-setting bodies and changes in assumptions.

The Company believes that its income tax reserves are adequate; however, amounts asserted by taxing authorities could be greater or less than amounts accrued and reflected in the consolidated balance sheet. Accordingly, the Company could record adjustments to the amounts for federal, state, and foreign liabilities in the future as the Company revises estimates or settles or otherwise resolves the underlying matters. In the ordinary course of business, the Company may take new positions that could increase or decrease unrecognized tax benefits in future periods.

During the three months ended July 31, 2017, the Company released to cash $1.0 million in restricted cash deposits that were previously recorded in other current assets on the Company's Consolidated Balance Sheet, related to a certain vendor agreement.

In December 2016, U.S. Customs and Border Protection ("U.S. Customs") issued an audit report concerning the methodology used by the Company to allocate the cost of certain watch styles imported into the U.S. among the component parts of those watches for tariff purposes. The report disputes the reasonableness of the Company's historical allocation formulas and proposes an alternative methodology that would imply approximately $5.1 million in underpaid duties over the five-year period covered by the statute of limitations, plus possible penalties and interest. The Company believes that U.S. Customs' alternative duty methodology and estimate are not consistent with the Company's facts and circumstances and is disputing U.S. Customs' position. On February 24, 2017, the Company provided U.S. Customs with supplemental analyses and information supporting the Company's historical allocation formulas and thereafter provided additional information for U.S. Customs' review. Although the Company disagrees with U.S. Customs' position, it cannot predict with any certainty the outcome of this matter. The Company intends to continue to work with U.S. Customs to reach a mutually-satisfactory resolution.

On October 23, 2018, Swiss Time Watch & Jewellry GmbH ("ST Germany") filed a lawsuit against the Company in the Superior Court of California for the County of Los Angeles. The lawsuit primarily alleges that the Company, as legal successor to MVMT Watches, Inc., has failed to perform its obligations under the parties' August 1, 2018 distribution agreement (the "ST Germany Agreement") pursuant to which ST Germany was granted the right, subject to certain limitations, to distribute a curated collection of MVMT watch styles in Germany. ST Germany also alleges various related torts and statutory violations and seeks specific performance of the ST Germany Agreement as well as unspecified monetary damages. The Company believes that ST Germany's tort and statutory claims are without merit and that ST Germany is not entitled to specific performance. In addition, the ST Agreement caps the Company's liability to the aggregate amounts paid by ST Germany thereunder. The Company intends to defend the lawsuit vigorously and does not expect it to materially affect the Company's financial condition or future results of operations.

The purchase consideration for the MVMT business includes two future contingent payments that combined could total up to $100 million. Although the Company has established appropriate reserves for this liability based on its current estimate of the amounts that will eventually become payable, the exact amount of the future payments will be determined by MVMT's financial performance through the end of fiscal 2023. The Company expects to recognize gains/losses, as the case may be, as the Company's estimate of the amount payable is updated from time to time. See Note 16 (Acquisition).

The Company is involved in legal proceedings and claims from time to time, in the ordinary course of its business. Legal reserves are recorded in accordance with the accounting guidance for contingencies. Contingencies are inherently unpredictable and it is possible that results of operations, balance sheets or cash flows could be materially and adversely affected in any particular period by unfavorable developments in, or resolution or disposition of, such matters. For those legal proceedings and claims for which the Company believes that it is probable that a reasonably estimable loss may result, the Company records a reserve for the potential loss. For proceedings and claims where the Company believes it is reasonably possible that a loss may result that is materially in excess of amounts accrued for the matter, the Company either discloses an estimate of such possible loss or range of loss or includes a statement that such an estimate cannot be made. As of October 31, 2018, the Company is party to legal proceedings and contingencies, the resolution of which is not expected to materially affect its financial condition, future results of operations beyond the amounts accrued, or cash flows.

NOTE 10 – INCOME TAXES

On December 22, 2017, the 2017 Tax Act was signed into law, which significantly changed U.S. corporate income tax laws by, among other things, lowering the corporate tax rate from 35.0% to 21.0%, limiting the deductibility of interest expense and executive compensation, establishing a territorial tax system, and imposing a one-time mandatory deemed Transition Tax on undistributed foreign earnings which have not been previously taxed.

During the three months ended October 31, 2018, the Company recorded a provisional benefit of $3.9 million related to foreign withholding taxes recorded in the fiscal year ended January 31, 2018 in connection with unremitted earnings which were earmarked for repatriation. This change in estimate of the deferred tax liability related to unremitted earnings and all other amounts recorded in the fiscal year ending January 31,2018 related to the 2017 Tax Act remain provisional. These estimates are subject to revision due to changes in the Company's analysis and assumptions related to certain matters, such as updates to estimates and amounts related to the earnings and profits and tax pools of certain subsidiaries and the Company's indefinite reinvestment assertion, including the measurement of deferred withholding taxes on foreign unremitted earnings. The estimated impact of the 2017 Tax Act is also subject to change as a result of additional guidance from, and interpretations by, U.S. regulatory and standard-setting bodies, as well as state tax conformity to federal tax law. The Company expects to complete its assessment of these items within the measurement period, and any adjustments to the provisional amounts initially recorded will be included as an adjustment to income tax expense or benefit in the period in which the amounts are determined.

The Company continues to evaluate the impact of the global intangible low-tax income ("GILTI") provision within the 2017 Tax Act which would require the current inclusion in federal taxable income, earnings of certain foreign controlled corporations. GILTI is subject to continuing regulatory interpretation by the U.S. Internal Revenue Service ("IRS") and while the Company has included an estimate of GILTI in its estimated effective tax rate for the fiscal year ending January, 2019, it has not yet elected a policy as to whether it will recognize deferred taxes for basis differences expected to reverse as GILTI or whether the Company will account for GILTI as period costs when and if incurred. Adjustments related to the amount of GILTI recorded in its consolidated financial statements may be required based on the outcome of this election. The Company will continue to evaluate these provisions and elect an accounting policy within the measurement period.

The Company recorded an income tax benefit of $2.8 million and income tax expense $7.5 million for the three months ended October 31, 2018 and 2017, respectively.

The effective tax rate was -11.7% and 30.1% for the three months ended October 31, 2018 and 2017, respectively. The change in the effective tax rate was primarily due to a change in estimate of the Company's provisional deferred withholding tax liability on unremitted foreign earnings, the release of valuation allowances against certain foreign deferred tax assets and the impact of other discrete items.

The Company recorded income tax expense of $0.7 million and $10.3 million for the nine months ended October 31, 2018 and 2017, respectively.

The effective tax rate was 1.5% and 35.6% for the nine months ended October 31, 2018 and 2017, respectively. The change in the effective tax rate was primarily due to a change in estimate of the Company's provisional deferred withholding tax liability on unremitted foreign earnings, the release of valuation allowances against certain foreign deferred tax assets and changes in jurisdictional earnings.

The effective tax rate for the three months ended October 31, 2018 differs from the U.S. statutory tax rate of 21.0% primarily due to a change in estimate of the Company's provisional deferred withholding tax liability on unremitted foreign earnings, the release of valuation allowances against certain foreign deferred tax assets and the impact of other discrete items.

The effective tax rate for the three and nine months ended October 31, 2017 differs from the U.S. statutory tax rate of 35.0% primarily due to foreign profits being taxed in lower taxing jurisdictions and the impact of discrete items, partially offset by no tax benefit being recognized on losses incurred by certain foreign operations. The effective tax rate for the nine months ended October 31, 2017 also includes an increase primarily due to the adoption of ASU 2016-09 and acquisition costs related to the acquisition of the Olivia Burton brand.

NOTE 11 – DERIVATIVE FINANCIAL INSTRUMENTS

As of October 31, 2018, the Company's entire net forward contracts hedging portfolio consisted of 38.0 million Swiss francs equivalent, 16.7 million Euros equivalent, 4.6 million British Pounds equivalent, and 22.2 million Chinese Yuan equivalent, with various expiry dates ranging through April 24, 2019.

The following table summarizes the fair value and presentation in the Consolidated Balance Sheets for derivatives (in thousands):

	Asset Derivatives				Liability Derivatives			
	Balance Sheet Location	October 31, 2018 Fair Value	January 31, 2018 Fair Value	October 31, 2017 Fair Value	Balance Sheet Location	October 31, 2018 Fair Value	January 31, 2018 Fair Value	October 31, 2017 Fair Value
Derivatives not designated as hedging instruments:								
Foreign Exchange Contracts	Other Current Assets	$ —	$ 544	$ —	Accrued Liabilities	$ 463	$ 2	$ 685
Total Derivative Instruments		$ —	$ 544	$ —		$ 463	$ 2	$ 685

	Asset Derivatives				Liability Derivatives			
	Balance Sheet Location	October 31, 2018 Fair Value	January 31, 2018 Fair Value	October 31, 2017 Fair Value	Balance Sheet Location	October 31, 2018 Fair Value	January 31, 2018 Fair Value	October 31, 2017 Fair Value
Derivatives designated as hedging instruments:								
Foreign Exchange Contracts	Other Current Assets	$ —	$ —	$ 67	Accrued Liabilities	$ —	$ 44	$ —
Total Derivative Instruments		$ —	$ —	$ 67		$ —	$ 44	$ —

As of October 31, 2018, and 2017, the balance of deferred net gains on derivative financial instruments and the associated tax benefits for cash flow hedges included in accumulated other comprehensive income ("AOCI") were immaterial. The maximum length of time the Company hedges its exposure to the fluctuation in future cash flows for forecasted transactions is 24 months. For the three and nine months ended October 31, 2018, the Company reclassified from AOCI to earnings $0.1 million and $0.4 of net gain, net of immaterial tax expense for each period, respectively. For the three and nine months ended October 31, 2017, the Company reclassified from AOCI to earnings $0.4 million and $0.9 million of net loss, net of tax benefit of $0.1 million and $0.2 million, respectively.

NOTE 12 – ACCUMULATED OTHER COMPREHENSIVE INCOME

The components of accumulated other comprehensive income consisted of the following (in thousands):

	Currency Translation Adjustments	Available-for-sale securities	Hedging Contracts	Total
Balance, January 31, 2018	$ 100,190	$ 191	$ (38)	$ 100,343
Other comprehensive (loss) / income before reclassifications	(24,191)	(80)	398	$ (23,873)
Amounts reclassified from accumulated other comprehensive income (1)	—	—	(360)	$ (360)
Net current-period other comprehensive (loss) / income	(24,191)	(80)	38	(24,233)
Balance, October 31, 2018	$ 75,999	$ 111	$ —	$ 76,110

	Currency Translation Adjustments	Available-for-sale securities	Hedging Contracts	Total
Balance, January 31, 2017	$ 76,569	$ 197	$ 14	$ 76,780
Other comprehensive income before reclassifications	3,583	(12)	931	$ 4,502
Amounts reclassified from accumulated other comprehensive income (1)	—	—	(894)	$ (894)
Net current-period other comprehensive income / (loss)	3,583	(12)	37	3,608
Balance, October 31, 2017	$ 80,152	$ 185	$ 51	$ 80,388

(1) Amounts reclassified to earnings in the Consolidated Statements of Operations.

NOTE 13 – TREASURY STOCK

On August 29, 2017, the Board of Directors approved a share repurchase program under which the Company is authorized to purchase up to $50.0 million of its outstanding common stock from time to time, depending on market conditions, share price and other factors. The Company may purchase shares of its common stock through open market purchases, repurchase plans, block trades or otherwise. This authorization expires on August 29, 2020, and replaced a prior share repurchase program approved by the Board on March 31, 2016 under which the Company was authorized to purchase up to $50.0 million of its outstanding common stock from time to time and under which approximately $5.5 million had been repurchased. During the nine months ended October 31, 2018, under the current share repurchase program, the Company repurchased a total of 99,191 shares of its common stock at a total cost of approximately $3.9 million, or an average of $39.64 per share. During the nine months ended October 31, 2017, under both the current and previous share repurchase program, the Company repurchased a total of 120,507 shares of its common stock at a total cost of approximately $3.0 million or an average cost of $24.93 per share, which included 20,000 shares repurchased from the Movado Group Foundation at a total cost of approximately $0.5 million or an average of $22.90 per share.

There were 19,003 and 36,843 shares of common stock repurchased during the nine months ended October 31, 2018 and 2017, respectively, as a result of the surrender of shares in connection with the vesting of certain stock awards. At the election of an employee, shares having an aggregate value on the vesting date equal to the employee's withholding tax obligation may be surrendered to the Company to fund the payment of such taxes.

NOTE 14 – RECENT ACCOUNTING PRONOUNCEMENTS

On October 25, 2018 , the FASB issued ASU 2018-16, "Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting", which permits use of the OIS rate based on SOFR as a U.S. benchmark interest rate for hedge accounting purposes under Topic 815 in addition to the UST, the LIBOR swap rate, the OIS rate based on the Fed Funds Effective Rate, and the SIFMA Municipal Swap Rate for Derivatives and Hedging (Topic 815). Early adoption is permitted in any interim period upon issuance of this update if an entity already has adopted Update 2017-12. The amendments should be adopted on a prospective basis for qualifying new or redesignated hedging relationships entered into on or after the date of adoption. The adoption of this guidance is not expected to have a material impact on the Company's consolidated financial statements or related disclosures.

On August 28, 2018, the FASB issued 2018-13, “Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement”, which modifies the disclosure requirements in ASC 820, Fair Value Measurement. This guidance is effective for fiscal years beginning after December 15, 2019, which will be the Company’s first quarter of fiscal 2021, with early adoption permitted. The Company is currently evaluating the impact of the adoption of this standard on its related disclosures.

On June 20, 2018, the FASB issued ASU 2018-07, which simplifies the accounting for share-based payments granted to nonemployees for goods and services. Under the ASU, most of the guidance on such payments to nonemployees would be aligned with the requirements for share-based payments granted to employees. For public companies, the standard will be effective for the first interim reporting period within annual periods beginning after December 15, 2018, with early adoption permitted. The new standard must be adopted using a modified retrospective transition with a cumulative effect adjustment recorded to opening retained earnings as of the initial adoption date. The adoption of this guidance is not expected to have a material impact on the Company’s consolidated financial statements.

On August 28, 2017, FASB issued ASU 2017-12, “Derivatives and Hedging: Targeted Improvements to Accounting for Hedging Activities,” which expands an entity’s ability to apply hedge accounting for nonfinancial and financial risk components and allows for a simplified approach for fair value hedging of interest rate risk. The new guidance eliminates the requirement to separately measure and report hedge ineffectiveness and generally requires the entire change in fair value of a hedging instrument to be presented in the same income statement line as the hedged item. The new guidance also simplifies the hedge documentation and effectiveness assessment requirements. For public companies, the standard will be effective for the first interim reporting period within annual periods beginning after December 15, 2018, with early adoption permitted. The new standard must be adopted using a modified retrospective transition with a cumulative effect adjustment recorded to opening retained earnings as of the initial adoption date. The adoption of this guidance is not expected to have a material impact on the Company’s consolidated financial statements or related disclosures.

On February 25, 2016, FASB issued ASU 2016-02, “Leases,” which requires lessees to recognize most leases on the balance sheet. This change is expected to increase both reported assets and liabilities. For public companies, the standard will be effective for the first interim reporting period within annual periods beginning after December 15, 2018, although early adoption is permitted. The requirements of this standard include a significant increase in required disclosures and will result in a material increase to the Company’s total assets and liabilities through recognition of right-of-use assets and related lease liabilities.

In July 2018, the FASB issued ASU No. 2018-10, “Codification Improvements to Topic 842, Leases” to clarify the implementation guidance and ASU No. 2018-11, “Leases (Topic 842) Targeted Improvements.” This updated guidance provides an optional transition method, which allows for the initial application of the new accounting standard at the adoption date and the recognition of a cumulative-effect adjustment to the opening balance of retained earnings as of the beginning of the period of adoption. The Company will adopt the new standard on February 1, 2019 and intends to elect certain practical expedients, including the optional transition method that allows for the application of the new standard at its adoption date with no restatement of prior period amounts. The Company has identified its significant lease contracts by geography and by asset type and is in the process of implementing a global lease management and accounting system. The Company is in the process of finalizing its assessment of the impact of the new standard on its Consolidated Financial Statements and is evaluating its processes and internal controls to identify any necessary changes.

NOTE 15 – COST SAVINGS INITIATIVES

As a result of actions taken by the Company in fiscal 2018 to better align its global infrastructure with the current business environment by consolidating certain operations and streamlining functions to reduce costs and improve profitability, the Company recorded $13.6 million of pre-tax expenses primarily for severance and payroll related, other and occupancy charges, predominantly impacting the Company’s North American and Swiss operations.

A summary roll-forward of costs related to the cost savings initiatives is as follows (in thousands):

	Balance at January 31, 2018	Cash payments	Foreign exchange	Balance in Accrued Liabilities at October 31, 2018
Severance and payroll related	$ 931	$ (601)	$ (1)	$ 329
Other	919	(192)	(61)	666
Occupancy charges	74	(30)	(4)	40
Total	$ 1,924	$ (823)	$ (66)	$ 1,035

NOTE 16 – ACQUISITION

On October 1, 2018, the Company acquired MVMT Watches, Inc., owner of MVMT, a global aspirational lifestyle brand for an initial payment of $100.0 million and two future contingent payments that combined could total up to an additional $100.0 million before tax benefits. The exact amount of the future payments will be determined by MVMT's future financial performance with no minimum required future payment. After giving effect to the closing adjustments, the purchase price was $108.4 million, net of cash acquired of approximately $3.8 million. The acquisition was funded with cash on hand, and adds a new brand with significant global growth potential to the Company's portfolio.

The results of the MVMT brand have been included in the consolidated financial statements since the date of acquisition within the U.S. and International locations of the Watch and Accessory Brands segment. For the three and nine months ended October 31,2018, consolidated operating income included $10.9 million and $11.9 million, respectively, of expenses primarily related to integration and transaction costs and adjustments in acquisition accounting, as a result of the Company's acquisition of MVMT.

The acquisition was accounted for in accordance with FASB Topic ASC 805 ("Business Combinations"), which requires that the total cost of an acquisition be allocated to the tangible and intangible assets acquired and liabilities assumed based upon their respective fair values at the date of acquisition.

The following table summarizes the fair value of the assets acquired and liabilities assumed as of the October 1, 2018 acquisition date (in thousands):

Assets Acquired and Liabilities Assumed	Fair Value
Cash and cash equivalents	$ 3,848
Trade receivables	370
Inventories	14,552
Prepaid expenses and other current assets	2,325
Property, plant and equipment	179
Other non-current Assets	6,500
Goodwill	77,542
Trade name and other intangibles	28,928
Total assets acquired	134,244
Accounts payable	5,982
Accrued liabilities	9,018
Other non-current liabilities	7,064
Total liabilities assumed	22,064
Total purchase price	$ 112,180

Inventories include a step-up adjustment of $0.7 million, which is being amortized over 5 months. The components of Trade name and other intangibles include a trade name of $24.7 million (amortized over 10 years), and customer relationships of $4.2 million (amortized over 10 years).

Other non-current assets and other non-current liabilities each include $6.5 million related to escrow amounts established under the acquisition agreement, associated with certain contingencies that existed at the date of acquisition. Upon settlement of the contingencies, the excess funds in escrow, if any will be returned to the selling group. If the costs to settle the contingencies exceed the escrowed balances, the additional cost shall be borne by the Company.

The acquisition agreement also includes a contingent consideration arrangement based on the MVMT brand achieving certain revenue and EBITDA targets. In connection therewith, the Company recorded a non-current liability of $16.5 million as of the date of acquisition to reflect the estimated fair value of the contingent purchase price. Approximately $14.5 million is allocated to purchase price and $2.0 million to deferred compensation expense based on future employee service requirements.

The estimated fair value of the contingent consideration was determined using a Monte Carlo simulation that includes key assumptions regarding MVMT's projected financial performance during the earn-out period, volatilities, estimated discount rates, risk-free interest rate, and correlation. Each reporting period after the acquisition, the Company will revalue the contingent purchase price liability and record increases or decreases in the fair value of the liability in its Consolidated Statements of Operations. Changes in fair value will result from changes in actual and projected financial performance, discount rates, volatilities, and the other key assumptions. The inputs and assumptions are not observable in the market but reflect the assumptions the Company believes would be made by a market participant. The possible outcomes for the contingent consideration range from $0 to $100 million on an undiscounted basis.

As of the October 31, 2018 re-measurement date, the contingent purchase price liability has been accreted to $16.6 million. The $0.1 million increase in the liability is included as a reduction in operating income in the Consolidated Statement of Operations. Refer to Note 3 for further discussion of fair value measurements.

The Company recorded goodwill of $77.5 million based on the amount by which the purchase price exceeded the fair value of the net assets acquired. As the structure of the acquisition allowed for a step up in basis for tax purposes, the full amount of the goodwill balance will be deductible for federal income tax purposes over approximately 15 years.

Preliminary estimates of the fair value of identifiable assets acquired and liabilities assumed are subject to revision, which may result in adjustments to the preliminary values discussed above.

MVMT's operating results have been included in the Company's Consolidated Financial Statements beginning October 1, 2018. Net sales of the acquired MVMT brand since the date of acquisition through October 31, 2018 were $5.0 million. The MVMT brand's operating income since the date of acquisition was $0.3 million. These operating results exclude certain activity of the Company or its wholly owned subsidiaries in support of the MVMT brand.

The following table provides the Company's unaudited pro forma net sales, net income and net income per basic and diluted common share as if the results of operations of the MVMT brand had been included in the Company's operations commencing on February 1, 2017, based on available information relating to operations of the MVMT brand. This pro forma information is not necessarily indicative either of the combined results of operations that actually would have been realized by the Company had the MVMT brand acquisition been consummated at the beginning of the period for which the pro forma information is presented, or of future results.

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2018	2017 (1)	2018	2017 (1)
(In thousands, except per share data)	*(Unaudited)*		*(Unaudited)*	
Net sales	$ 217,950	$ 203,316	$ 513,211	$ 452,204
Net income	$ 32,814	$ 10,197	$ 48,044	$ 1,495
Basic income per share:				
Net income per share attributed to Movado Group, Inc.	$ 1.41	$ 0.44	$ 2.07	$ 0.06
Diluted income per share:				
Net income per share attributed to Movado Group, Inc.	$ 1.39	$ 0.44	$ 2.03	$ 0.06

(1) Includes non-recurring transaction costs of $6.5 million associated with the acquisition.

The change in the carrying amount of the goodwill associated with the MVMT brand, which is included in the Watch and Accessory Brands segment, is as follows (in thousands):

	Total
Balance, January 31, 2018	$ —
Acquisition of the MVMT brand	77,542
Balance, October 31, 2018	$ 77,542

Trade name and other intangible assets consist of the following (in thousands):

	As of October 31, 2018		
	Gross carrying amount	Accumulated amortization	Net
Intangible assets subject to amortization:			
Trade name	$ 24,700	$ 206	$ 24,494
Customer relationships	4,200	35	$ 4,165
Total intangible assets	$ 28,900	$ 241	$ 28,659

Estimated amortization expense for the next five years is: $0.7 million for the remaining three months of fiscal 2019, $14.5 million in fiscal years 2020 through 2024 and $13.5 million in total in the years thereafter.

NOTE 17 – REVENUE

On February 1, 2018, the Company adopted ASC 606 using the modified retrospective method and recognized the cumulative effect of initially applying the new revenue standard as an adjustment to opening retained earnings.

Under the modified retrospective method, the Company recognized a reduction of $0.7 million to opening retained earnings as the cumulative effect of adopting the new revenue standard. This adjustment did not have a material impact on the Company's Consolidated Financial Statements. Results for reporting periods beginning after February 1, 2018 are presented under Topic 606, while prior period amounts are not adjusted.

The impact of the adoption of the standard on the Company's October 31, 2018 Consolidated Balance Sheet and for the three and nine months ended October 31, 2018 Consolidated Statement of Operations were as follows (in thousands):

	As of October 31, 2018		
	As reported	Balances Without Adoption	Impact of Adoption
Assets			
Trade Receivables, net	$ 126,106	$ 126,063	$ 43
Inventories	$ 183,539	$ 184,026	$ (486)
Deferred and non-current income taxes	$ 17,400	$ 17,235	$ 165
Liabilities			
Accrued liabilities	$ 80,291	$ 80,284	$ 7
Income taxes payable	$ 9,617	$ 9,583	$ 34
Deferred and non-current income taxes	$ 29,519	$ 29,508	$ 11

	Three Months Ended October 31,2018		
	As reported	Amounts Without Adoption	Impact of Adoption
Net sales	$ 208,949	$ 209,964	$ (1,015)
Gross profit	$ 113,364	$ 114,317	$ (953)
Net income	$ 26,922	$ 27,525	$ (603)

	Nine Months Ended October 31,2018		
	As reported	Amounts Without Adoption	Impact of Adoption
Net sales	$ 480,191	$ 480,148	$ 43
Gross profit	$ 258,722	$ 259,164	$ (443)
Net income	$ 44,177	$ 44,507	$ (330)

The above adoption impact relates principally to timing of the recognition of markdowns and returns in the Watch and Accessory Brands segment.

Revenue Recognition

As presented in the disaggregated revenue table below, wholesale revenue is recognized and recorded when a contract is in place, obligations under the terms of a contract with the customer are satisfied, control is transferred to the customer and is measured as the ultimate amount of consideration the Company expects to receive in exchange for transferring goods including variable consideration. Direct to consumer and after-sales service revenue is recognized at time of register receipt or delivery to customer. The Company records estimates of variable consideration, which includes sales returns, markdowns, volume-based programs and sales and cash discount allowances as a reduction of revenue in the same period that the sales are recorded. These estimates are based upon the expected value method considering all reasonably available information including historical analysis, customer agreements and/or currently known factors that arise in the normal course of business. Returns, discounts and allowances have historically been within the Company's expectations and the provisions established. The future provisional rates may differ from those experienced in the past. The Company considers transfer of control to take place either when the goods ship or when goods are delivered depending on the shipping terms in the contract. Factors considered in the transfer of control include the right to payment, transfer of legal title, physical possession and customer acceptance of the goods and whether the significant risks and rewards for the goods belong with the customer. Taxes imposed by governmental authorities on the Company's revenue-producing activities with customers, such as sales taxes and value added taxes, are excluded from net sales.

The Company's sale of smart watches contains multiple performance obligations. The Company allocates revenue to each performance obligation using the relative standalone selling price method. The Company determines the standalone selling prices based on the prices charged to customers. Amounts allocated to the delivered smart watch collections and the related essential software are recognized at the time of sale. Amounts allocated to the cloud service and app updates are deferred and recognized on a straight-line basis over the estimated two-year period the updates are expected to be provided. The Company's smart watch collections were available in limited quantities and in limited distribution, and, as a result, these deferred amounts were immaterial to all periods presented.

The Company has considered each transaction to sell goods as separate and distinct, with no additional promises made. The Company uses the understanding of what the customer expects to receive as the final product to determine whether goods or services should be combined and accounted for as a single performance obligation. The Company does not incur significant costs to obtain or fulfill its contracts.

Practical Expedients and Exemptions

The Company does not consider the effects of a financing component for contracts because the length of time is one year or less, between when the Company transfers goods and when the customer is expected to pay.

The Company's shipping costs are sometimes paid by the customer, while other times the shipping costs are included in the sales price for the watches. The Company does not deem shipping as a promised service to the customer because shipping is a fulfillment activity as part of the sale of goods.

Revenue

The following table presents the Company's net sales disaggregated by customer type. Sales and usage-based taxes are excluded from net sales (in thousands).

Customer Type	Three Months Ended October 31,2018	Nine Months Ended October 31,2018
Wholesale	$ 180,490	$ 404,199
Direct to consumer	27,124	72,236
After-sales service	1,335	3,756
Net Sales	$ 208,949	$ 480,191

The Company's revenue from contracts with customers is recognized at a point in time. The Company's net sales disaggregated by geography are based on the location of the Company's customer, (see Note 5 Segment and Geographic Information).

Wholesale Revenue

The Company's wholesale revenue consists primarily of revenues from independent distributors, and from department stores, and chain and independent jewelry stores. The Company recognizes and records its revenue when obligations under the terms of a contract with the customer are satisfied, and control is transferred to the customer. Wholesale revenue is measured as the amount of consideration the Company ultimately expects to receive in exchange for transferring goods. Wholesale revenue is included entirely within the Watch and Accessory Brands Segment (see Note 5 Segment and Geographic Information), consistent with how management makes decisions regarding the allocation of resources and performance measurement.

Direct to Consumer Revenue

The Company's direct to consumer revenue primarily consists of revenues from the Company's outlet stores, concession stores, ecommerce, and consumer repairs. Revenue is recognized as the end consumer obtains delivery of the merchandise. Direct to Consumer revenue derived from concession stores and ecommerce is included within the Watch and Accessory Brands Segment; revenue derived from outlet stores is included within the Company Stores Segment (see Note 5 Segment and Geographic Information). Direct to Consumer revenue is determined based on the type of customer and may be included in either the Watch and Accessory Brands or Company Stores Segments based on how the Company makes decisions about the allocation of resources and performance measurement.

After-sales service

All watches sold by the Company come with limited warranties covering the movement against defects in material workmanship. The Company does not sell warranties separately.

The Company's after-sales service revenues consists of out of warranty service provided to wholesale customers and authorized third party repair centers, and sale of watch parts. The Company recognizes and records its revenue when obligations under the terms of a contract with the customer are satisfied, control is transferred to the customer and is measured as the amount of consideration the Company ultimately expects to receive in exchange for transferring goods. Revenue from after sales service, including consumer repairs, is included entirely within the Watch and Accessory Brands Segment, consistent with how management makes decisions about the allocation of resources and performance measurement.

FORWARD-LOOKING STATEMENTS

Statements in this Quarterly Report on Form 10-Q, including, without limitation, statements under Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this report, as well as statements in future filings by the Company with the Securities and Exchange Commission (the "SEC"), in the Company's press releases and oral statements made by or with the approval of an authorized executive officer of the Company, which are not historical in nature, are intended to be, and are hereby identified as, "forward-looking statements" for purposes of the safe harbor provided by the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations, estimates, forecasts and projections about the Company, its future performance, the industry in which the Company operates and management's assumptions. Words such as "expects", "anticipates", "targets", "goals", "projects", "intends", "plans", "believes", "seeks", "estimates", "may", "will", "should" and variations of such words and similar expressions are also intended to identify such forward-looking statements. The Company cautions readers that forward-looking statements include, without limitation, those relating to the Company's future business prospects, projected operating or financial results, revenues, working capital, liquidity, capital needs, plans for future operations, expectations regarding capital expenditures, operating efficiency initiatives and other items, cost savings initiatives, and operating expenses, effective tax rates, margins, interest costs, and income as well as assumptions relating to the foregoing. Forward-looking statements are subject to certain risks and uncertainties, some of which cannot be predicted or quantified. Actual results and future events could differ materially from those indicated in the forward-looking statements, due to several important factors herein identified, among others, and other risks and factors identified from time to time in the Company's reports filed with the SEC, including, without limitation, the following: general economic and business conditions, which may impact disposable income of consumers in the United States and the other significant markets (including Europe) where the Company's products are sold, uncertainty regarding such economic and business conditions, trends in consumer debt levels and bad debt write-offs, general uncertainty related to possible terrorist attacks, natural disasters, the stability of the European Union (including the impact of the June 23, 2016 referendum advising that the United Kingdom exit from the European Union) and defaults on or downgrades of sovereign debt and the impact of any of those events on consumer spending, changes in consumer preferences and popularity of particular designs, new product development and introduction, the ability of the Company to successfully implement its business strategies, competitive products and pricing, the impact of "smart" watches and other wearable tech products on the traditional watch market, seasonality, availability of alternative sources of supply in the case of the loss of any significant supplier or any supplier's inability to fulfill the Company's orders, the loss of or curtailed sales to significant customers, the Company's dependence on key employees and officers, the ability to successfully integrate the operations of acquired businesses (including the Olivia Burton and MVMT brands) without disruption to other business activities, the possible impairment of acquired intangible assets including goodwill if the carrying value of any reporting unit were to exceed its fair value, the continuation of the company's major warehouse and distribution centers, the continuation of licensing arrangements with third parties, losses possible from pending or future litigation, the ability to secure and protect trademarks, patents and other intellectual property rights, the ability to lease new stores on suitable terms in desired markets and to complete construction on a timely basis, the ability of the Company to successfully manage its expenses on a continuing basis, information systems failure or breaches of network security, the continued availability to the Company of financing and credit on favorable terms, business disruptions, disease, general risks associated with doing business outside the United States including, without limitation, import duties, tariffs, quotas, political and economic stability, changes to existing laws or regulations, and success of hedging strategies with respect to currency exchange rate fluctuations.

These risks and uncertainties, along with the risk factors discussed under Item 1A. "Risk Factors" in the Company's 2018 Annual Report on Form 10-K, should be considered in evaluating any forward-looking statements contained in this report or incorporated by reference herein. All forward-looking statements speak only as of the date of this report or, in the case of any document incorporated by reference, the date of that document. All subsequent written and oral forward-looking statements attributable to the Company or any person acting on its behalf are qualified by the cautionary statements in this section. The Company undertakes no obligation to update or publicly release any revisions to forward-looking statements to reflect events, circumstances or changes in expectations after the date of this report.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements. These estimates and assumptions also affect the reported amounts of revenues and expenses. Estimates by their nature are based on judgments and available information. Therefore, actual results could materially differ from those estimates under different assumptions and conditions.

Critical accounting policies are those that are most important to the portrayal of the Company's financial condition and the results of operations and require management's most difficult, subjective and complex judgments as a result of the need to make estimates about the effect of matters that are inherently uncertain. The Company's most critical accounting policies have been discussed in the Company's 2018 Annual Report on Form 10-K and are incorporated by reference herein.

Under the MVMT acquisition agreement, the estimated fair value of the contingent consideration was determined using a Monte Carlo simulation with key assumptions that include revenue and brand EBITDA of the acquired business during the earn-out period, volatilities, estimated discount rates, risk-free rate, and correlation (see Note 16 – Acquisition).

See Note 2 – Accounting Pronouncements Recently Adopted for updates to the critical accounting policies disclosed in the Company's 2018 Annual Report on Form 10-K.

Recent Developments

On October 1, 2018, the Company acquired all of the outstanding equity interests of MVMT Watches, Inc., the owner of the MVMT global aspirational lifestyle brand ("MVMT"), for an initial payment of $100.0 million, subject to adjustments for cash, debt and working capital, and up to an additional $100 million in earnout payments. The exact amount of the future payments will be determined by MVMT's future performance with no minimum required future payment. The acquisition was funded through the Company's cash on hand, although the Company replenished approximately $50 million of such cash through borrowings under its revolving credit facility in October 2018.

The securities purchase agreement is attached as an Exhibit to this Quarterly Report on Form 10-Q. The results of the MVMT brand's operations have been included in the Consolidated Financial Statements since the date of acquisition within both the United States and International locations of the Watch and Accessory Brands segment.

On December 4, 2018, the Board of Directors approved the payment of a cash dividend in the amount of $0.20 for each share of the Company's outstanding common stock and class A common stock. The dividend will be paid on December 28, 2018 to all shareholders of record as of the close of business on December 14, 2018. The decision of whether to declare any future cash dividend, including the amount of any such dividend and the establishment of record and payment dates, will be determined, in each quarter, by the Board, in its sole discretion.

Overview

As of October 31,2018, the Company's two operating segments, formerly named Wholesale and Retail, are now referred to as, Watch and Accessory Brands and Company Stores, respectively. There is no change in how the Company conducts its business within these two operating segments. The Company's Watch and Accessory Brands segment includes the designing, manufacturing and distribution of watches of owned and licensed brands, in addition to revenue generated from after-sales service activities and shipping. The Company Stores segment includes the Company's retail outlet locations in the United States and Canada. The Company also operates in two major geographic locations: United States operations and International, the latter of which includes the results of all non-U.S. Company operations.

The Company divides its watch business into two principal categories: the owned brands category and the licensed brands category. The owned brands category consists of the Movado®, Olivia Burton®, MVMT®, Ebel®, and Concord® brands. Watches in the licensed brands category include the following brands manufactured and distributed under license agreements with the respective brand owners: Coach®, HUGO BOSS®, Lacoste®, Tommy Hilfiger®, SCUDERIA FERRARI® and Rebecca Minkoff® and Uri Minkoff®.

Gross margins vary among the brands included in the Company's portfolio and also among watch models within each brand. Watches in the Company's owned brands category generally earn higher gross margin percentages than watches in the licensed brands category. The difference in gross margin percentages within the licensed brands category is primarily due to the impact of royalty payment obligations in respect of the licensed brands. Gross margins in the Company's outlet business are affected by the mix of product sold and may exceed those of the wholesale business since the Company earns margins on its outlet store sales from manufacture to point of sale to the consumer.

Results of operations for the three months ended October 31, 2018 as compared to the three months ended October 31, 2017

Net Sales: Comparative net sales by business segment were as follows (in thousands):

	Three Months Ended October 31,	
	2018	2017
Watch and Accessory Brands:		
United States	$ 75,035	$ 67,304
International	114,347	105,008
Total Watch and Accessory Brands	189,382	172,312
Company Stores	19,567	18,381
Net Sales	$ 208,949	$ 190,693

Comparative net sales by categories were as follows (in thousands):

	Three Months Ended October 31,	
	2018	2017
Watch and Accessory Brands:		
Owned brands category	$ 80,155	$ 75,138
Licensed brands category	107,694	95,015
After-sales service and all other	1,533	2,159
Total Watch and Accessory Brands	189,382	172,312
Company Stores	19,567	18,381
Net Sales	$ 208,949	$ 190,693

Net sales for the three months ended October 31, 2018 were $208.9 million, above the prior year period by $18.3 million or 9.6% which included an unfavorable impact of $1.0 million, as a result of adoption of ASC 606. For the three months ended October 31, 2018, fluctuations in foreign currency exchange rates unfavorably impacted net sales by $0.9 million when compared to the prior year period.

Net sales for the three months ended October 31, 2018 in the Watch and Accessory Brands segment were $189.4 million, above the prior year period by $17.1 million or 9.9%. The increase in net sales was attributable to increases in net sales in both the International and United States locations of the Watch and Accessory Brands segment.

Net sales for the three months ended October 31, 2018 in the United States location of the Watch and Accessory Brands segment were $75.0 million, above the prior year period by $7.7 million or 11.5%, resulting from net sales increases in both the owned and licensed brands categories. The net sales increase recorded in the licensed brands category was $5.6 million, or 35.6%. The net sales recorded in the owned brands category increased by $2.8 million or 5.7% and was attributable to the addition of the MVMT brand.

Net sales for the three months ended October 31, 2018 in the International location of the Watch and Accessory Brands segment were $114.3 million, above the prior year by $9.3 million or 8.9%, which included fluctuations in foreign currency exchange rates which unfavorably impacted net sales by $0.9 million when compared to the prior year period. This increase was driven by net sales increases in both the licensed brands and owned brands categories. The net sales increase in the licensed brands category was $7.1 million, or 8.9%, primarily due to net sales increases in Europe and Asia. The net sales increase recorded in the owned brands category was $2.1 million, or 8.6%, primarily due to sales increases in Europe. The net sales increase in the owned brands category was primarily attributable to the addition of the MVMT brand.

Net sales for the three months ended October 31, 2018 in the Company Stores segment were $19.6 million, above the prior year period by $1.2 million, or 6.5%, driven by the addition of new store openings. As of October 31, 2018, and 2017, the Company operated 44 and 41 retail outlet locations, respectively.

Gross Profit. Gross profit for the three months ended October 31, 2018 was $113.4 million or 54.3% of net sales as compared to $104.1 million or 54.6% of net sales in the prior year period. The increase in gross profit of $9.3 million was due to higher net sales partially offset by a lower gross margin percentage. The decrease in the gross margin percentage of approximately 30 basis points for the three months ended October 31, 2018, resulted primarily from the unfavorable impact of sales mix of approximately 30 basis points, fluctuations in foreign currency exchange rates of approximately 20 basis points, and the impact of the adoption of the new revenue recognition standard of approximately 20 basis points, partially offset by the net favorable impact of accounting adjustments related to the inventory step-up recorded in connection with the acquisition of the MVMT and Olivia Burton brands in the current and prior year, respectively of approximately 20 basis points and the increased leveraging of certain fixed costs as a result of higher sales of approximately 20 basis points.

Selling, General and Administrative ("SG&A"). SG&A expenses for the three months ended October 31, 2018 were $89.3 million, representing an increase from the prior year period of $10.4 million or 13.1%. The increase in SG&A expenses was attributable to higher costs of $11.3 million, principally associated with the integration and acquisition of the MVMT brand, a $6.5 million increase in marketing expenses, a $0.6 million increase in payroll and performance-based compensation, $0.6 million increase in occupancy costs associated with the opening of new retail outlet locations and $0.3 million higher distribution costs. These increases were partially offset by the non-recurrence of approximately $7.0 million of expenses associated with the Company's cost savings initiative in the prior year, lower costs of $1.8 million as a result of the Company's decision to no longer participate in the Basel Fair and lower expenses associated with the acquisition of the Olivia Burton brand in the comparable period in the prior year.

Watch and Accessory Brands Operating Income. In the three months ended October 31, 2018 and 2017, respectively, the Company recorded Watch and Accessory Brands segment operating income of $21.2 million and $22.2 million, respectively, which includes $23.8 million and $15.8 million, respectively, of unallocated corporate expenses as well as $17.9 million and $15.7 million, respectively, of certain intercompany profits related to the Company's supply chain operations. The $1.0 million decrease in operating income was the net result of a higher SG&A expenses of $9.6 million when compared to the prior year period, partially offset by higher gross profit of $8.6 million. The increase in SG&A expenses was attributable to higher costs of $11.3 million, principally associated with the integration and acquisition of the MVMT brand, marketing expenses of $6.5 million, payroll and performance-based compensation of $0.6 million, payroll and occupancy costs associated with the opening of new retail outlet locations of $0.6 million and higher distribution costs of $0.3 million. These increases were partially offset by the non-recurrence of approximately $7.0 million of expenses associated with the Company's cost savings initiative in the prior year, lower costs of $1.8 million as a result of the Company's decision to no longer participate in the Basel Fair and lower expenses associated with the acquisition of the Olivia Burton brand in the comparable period in the prior year.

U.S. Watch and Accessory Brands Operating Loss. In the United States location of the Watch and Accessory Brands segment, during the three months ended October 31, 2018 and 2017, respectively, the Company recorded an operating loss of $7.2 million and a breakeven, which included unallocated corporate expenses of $23.8 million and $15.8 million, respectively. The increase in operating loss of $7.3 million was the net result of a $8.4 million increase in gross profit, offset by $15.7 million increase in SG&A expenses. The increase in gross profit of $8.4 million was due to higher net sales and a higher gross margin percentage. The increase in SG&A expenses was attributable to a $11.3 million increase in costs, principally associated with the integration and acquisition of the MVMT brand, a $3.7 increase in marketing expenses, a $0.4 million increase in payroll and performance compensation expenses and a $0.4 million increase in distribution costs.

International Watch and Accessory Brands Operating Income. In the International location of the Watch and Accessory Brands segment, during the three months ended October 31, 2018 and 2017, respectively, the Company recorded operating income of $28.4 million and $22.2 million, respectively, which included $17.9 million and $15.7 million, respectively of certain intercompany profits related to the Company's International supply chain operations. The increase in operating income of $6.2 million was primarily due to higher gross profit of $0.2 million and lower SG&A expenses of $6.0 million. The increase in gross profit of $0.2 million was primarily due to higher net sales, partially offset by a lower gross margin percentage. The decrease in SG&A expenses was primarily attributable to the non-recurrence of approximately $6.9 million of expenses associated with the Company's cost savings initiative in the prior year, and a decrease in costs of $1.6 million as a result of the Company's decision to no longer participate in the Basel Fair. The decreases in SG&A expenses were partially offset by an increase in marketing expenses of $2.8 million.

Company Stores Operating Income. Operating income of $2.9 million was recorded in the Company Stores segment for each of the three months ended October 31, 2018 and 2017. The current period operating income consisted of higher gross profit of $0.7 million, offset by higher SG&A expenses of $0.7 million as compared to the same period in the prior year.

Income Taxes. On December 22, 2017, the 2017 Tax Act was signed into law, which significantly changed U.S. corporate income tax laws by, among other things, lowering the corporate tax rate from 35% to 21%, limiting the deductibility of interest expense and executive compensation, establishing a territorial tax system, and imposing a one-time mandatory deemed Transition Tax on undistributed foreign earnings which have not been previously taxed.

During the three months ended October 31, 2018, the Company recorded a provisional benefit of $3.9 million related to foreign withholding taxes recorded in the fiscal year ended January 31, 2018 in connection with unremitted earnings which were earmarked for repatriation. This change in estimate of the deferred tax liability related to unremitted earnings and all other amounts recorded in the fiscal year ended January 31,2018 related to the 2017 Tax Act remain provisional. These estimates are subject to revision due to changes in the Company's analysis and assumptions related to certain matters, such as updates to estimates and amounts related to the earnings and profits and tax pools of certain subsidiaries and the Company's indefinite reinvestment assertion, including the measurement of deferred withholding taxes on foreign unremitted earnings. The estimated impact of the 2017 Tax Act is also subject to change as a result of additional guidance from, and interpretations by, U.S. regulatory and standard-setting bodies, as well as state tax conformity to federal tax law. The Company expects to complete its assessment of these items within the measurement period, and any adjustments to the provisional amounts initially recorded will be included as an adjustment to income tax expense or benefit in the period in which the amounts are determined.

The Company continues to evaluate the impact of the global intangible low-tax income ("GILTI") provision within the 2017 Tax Act which would require the current inclusion in federal taxable income, earnings of certain foreign controlled corporations. GILTI is subject to continuing regulatory interpretation by the U.S. Internal Revenue Service ("IRS") and while the Company has included an estimate of GILTI in its estimated effective tax rate for the fiscal year ended January 31,2019, it has not yet elected a policy as to whether it will recognize deferred taxes for basis differences expected to reverse as GILTI or whether the Company will account for GILTI as period costs when and if incurred. Adjustments related to the amount of GILTI recorded in its consolidated financial statements may be required based on the outcome of this election. The Company will continue to evaluate these provisions and elect an accounting policy within the measurement period.

The Company recorded an income tax benefit of $2.8 million and income tax expense of $7.5 million for the three months ended October 31, 2018 and 2017, respectively.

The effective tax rate was -11.7% and 30.1% for the three months ended October 31, 2018 and 2017, respectively. The change in the effective tax rate was primarily due to a change in estimate of the Company's provisional deferred withholding tax liability on unremitted foreign earnings, the release of valuation allowances against certain foreign deferred tax assets and the impact of other discrete items.

The effective tax rate for the three months ended October 31, 2018 differs from the U.S. statutory tax rate of 21.0% primarily due to a change in estimate of the Company's provisional deferred withholding tax liability on unremitted foreign earnings, the release of valuation allowances against certain foreign deferred tax assets and the impact of other discrete items.

The effective tax rate for the three months ended October 31, 2017 differs from the U.S. statutory tax rate of 35.0% primarily due to jurisdictional earnings and the impact of discrete items, partially offset by no tax benefit being recognized on losses incurred by certain foreign operations.

Net Income Attributed to Movado Group, Inc. The Company recorded net income attributed to Movado Group, Inc. of $26.9 million and $17.4 million, for the three months ended October 31, 2018 and 2017, respectively.

Results of operations for the nine months ended October 31, 2018 as compared to the nine months ended October 31, 2017

Net Sales: Comparative net sales by business segment were as follows (in thousands):

	Nine Months Ended October 31,	
	2018	2017
Watch and Accessory Brands:		
United States	$ 147,045	$ 144,076
International	277,518	226,414
Total Watch and Accessory Brands	424,563	370,490
Company Stores	55,628	48,249
Net Sales	$ 480,191	$ 418,739

Comparative net sales by categories were as follows (in thousands):

	Nine Months Ended October 31,	
	2018	2017
Watch and Accessory Brands:		
Owned brands category	$ 173,270	$ 154,620
Licensed brands category	243,267	208,914
After-sales service and all other	8,026	6,956
Total Watch and Accessory Brands	424,563	370,490
Company Stores	55,628	48,249
Net Sales	$ 480,191	$ 418,739

Net sales for the nine months ended October 31, 2018 were $480.2 million, above the prior year period by $61.5 million or 14.7%, which included a favorable impact of $0.1 million as a result of the adoption of ASC 606. For the nine months ended October 31, 2018, fluctuations in foreign currency exchange rates favorably impacted net sales by $6.7 million when compared to the prior year period.

Net sales for the nine months ended October 31, 2018 in the Watch and Accessory Brands segment were $424.6 million, above the prior year period by $54.1 million or 14.6%. The increase in net sales was attributable to increases in net sales in both the International and United States locations of the Watch and Accessory Brands segment.

Net sales for the nine months ended October 31, 2018 in the United States location of the Watch and Accessory Brands segment were $147.0 million, above the prior year period by $3.0 million or 2.1%, resulting from the net sales increase in the owned brands category, partially offset by a decrease in the licensed brands category. The net sales increase recorded in the owned brands category was $4.5 million, or 4.3%, primarily due to increased sales in chain store customers and sales attributable to the addition of the MVMT brand. The decrease in net sales in the licensed brands category was $1.0 million or 3.0%, as the U.S. fashion watch market has been challenging when compared to the prior year.

Net sales for the nine months ended October 31, 2018 in the International location of the Watch and Accessory Brands segment were $277.5 million, above the prior year by $51.1 million or 22.6%, which included fluctuations in foreign currency exchange rates which favorably impacted net sales by $6.7 million when compared to the prior year period. This increase was primarily driven by net sales increases in both the licensed brands and owned brands categories. The net sales increase in the licensed brands category was $35.4 million, or 20.3%, primarily due to net sales increases in Europe, the Middle East and Latin America. The net sales increase recorded in the owned brands category was $14.2 million, or 28.1% and is primarily due to sales increases in Asia and Europe. The net sales increase in the owned brands category also included sales attributable to the addition of the MVMT brand.

Net sales for the nine months ended October 31, 2018 in the Company Stores segment were $55.6 million, above the prior year period by $7.4 million, or 15.3%, driven by higher sales in comparable stores, the addition of new store openings and a better product mix combined with higher conversion rates as products resonated well with customers. As of October 31, 2018, and 2017, the Company operated 44 and 41 retail outlet locations, respectively.

Gross Profit. Gross profit for the nine months ended October 31, 2018 was $258.7 million or 53.9% of net sales as compared to $219.3 million or 52.4% of net sales in the prior year period. The increase in gross profit of $39.4 million was primarily due to higher net sales and a higher gross margin percentage. The increase in the gross margin percentage of approximately 150 basis points for the nine months ended October 31, 2018, resulted primarily from the favorable impact of sales mix of approximately 60 basis points, the impact of fluctuations in foreign currency exchange rates of approximately 30 basis points, the non-recurrence of costs incurred from the Company's prior year cost savings initiative of approximately 30 basis points, the increased leveraging of certain fixed costs as a result of higher sales of approximately 20 basis points and the impact of accounting adjustments related to inventory step-up recorded in connection with the acquisition of the MVMT and Olivia Burton brands in the current and prior year, respectively of approximately 20 basis points, partially offset by the adoption of the new revenue recognition accounting standard of approximately 10 basis point.

Selling, General and Administrative ("SG&A"). SG&A expenses for the nine months ended October 31, 2018 were $213.6 million, representing an increase from the prior year period of $24.1 million or 12.7%. The increase in SG&A expenses was attributable to higher marketing expenses of $17.2 million, higher distribution costs of $2.6 million, payroll and performance based compensation of $2.5 million, costs of $13.8 million, principally associated with the integration and acquisition of the MVMT brand, $2.0 million of payroll and occupancy costs associated with the opening of new retail locations, $1.0 million higher bad debt expense, principally due to the non-recurrence of a $0.8 million customer recovery in the prior year and higher rent expenses of $0.5 million SG&A expenses also included the unfavorable effect of foreign currency translation of $1.1 million and transaction losses of $1.6 principally related to the non-recurrence of $1.1 million of transactional gains in the comparable period in the prior year as well as $0.5 million of transaction losses in the current year. These increases were partially offset by the non-recurrence of $12.0 million of expenses related to the Company's cost savings initiative in the prior year, the non-recurrence of $2.9 million in expenses related to the acquisition of the Olivia Burton brand in the prior year and lower costs of $3.4 million as a result of the Company's decision to no longer participate in the Basel Fair.

Watch and Accessory Brands Operating Income. In the nine months ended October 31, 2018 and 2017, respectively, the Company recorded Watch and Accessory Brands segment operating income of $35.8 million and $22.6 million, which includes $44.5 million and $29.2 million of unallocated corporate expenses as well as $40.2 million and $31.2 million, respectively, of certain intercompany profits related to the Company's supply chain operations. The $13.2 million increase in operating income was the net result of a higher gross profit of $34.9 million when compared to the prior year period, partially offset by higher SG&A expenses of $21.6 million. The increase in SG&A expenses was attributable to higher marketing expenses of $17.2 million, higher distribution costs of $2.6 million, payroll, and performance-based compensation of $2.5 million, costs of $13.8 million, principally associated with the integration and acquisition of the MVMT brand, and $1.0 million higher bad debt expense, principally due to the non-recurrence of a $0.8 million customer recovery in the prior year. SG&A expenses also included the unfavorable effect of foreign currency translation of $1.1 million and transaction of $1.6 principally related to the non-recurrence of $1.1 million of transactional gains in the comparable period in the prior year as well as $0.5 million of transaction losses in the current year. These increases were partially offset by the non-recurrence of $12.0 million of expenses related to the Company's cost savings initiative in the prior year, the non-recurrence of $2.9 million in expenses related to the acquisition of the Olivia Burton brand in the prior year and lower costs of $3.4 million as a result of the Company's decision to no longer participate in the Basel Fair.

U.S. Watch and Accessory Brands Operating Loss. In the United States location of the Watch and Accessory Brands segment, during the nine months ended October 31, 2018 and 2017, respectively, the Company recorded an operating loss of $21.8 million and $12.7 million, which included unallocated corporate expenses of $44.5 million and $29.2 million. The increase in operating loss of $9.1 million was the net result of higher gross profit of $9.7 million offset by higher SG&A expenses of $18.8 million. The increase in gross profit of $9.7 million was due to higher sales of $3.0 million and a higher gross margin percentage. The increase in SG&A expenses of $18.8 million was attributable to higher marketing costs of $7.5 million, higher costs of $13.1 million, principally associated with the integration and acquisition of the MVMT brand, higher payroll, and performance-based compensation of $1.0 million, higher distribution expenses of $0.9 million and higher bad debt expense of $0.6 million, principally due to the non-recurrence of a $0.8 million customer recovery in the prior year. These costs were partially offset by the non-recurrence of $3.7 million in charges related the Company's cost savings initiative and lower trade show expenses of $0.5 million as a result of the Company's decision to no longer participate in the Basel Fair.

International Watch and Accessory Brands Operating Income. In the International location of the Watch and Accessory Brands segment, during the nine months ended October 31, 2018 and 2017, respectively, the Company recorded operating income of $57.6 million and $35.3 million, which included $40.2 million and $31.2 million of certain intercompany profits related to the Company's International supply chain operations. The increase in operating income of $22.3 million was primarily due to higher gross profit of $25.1 million, partially offset by higher SG&A expenses of $2.8 million. The increase in gross profit of $25.1 million was primarily due to higher net sales, partially offset by a lower gross margin percentage. The increase in SG&A expenses of $2.8 million was attributable to higher marketing expenses of $9.7 million, higher distribution costs of $1.7 million, higher payroll and performance-based compensation expenses of $1.5 million, higher legal and consulting fees of $0.6 million, bad debt expense of $0.3 million and higher rent of $0.3 million. SG&A expenses also included the unfavorable effect of foreign currency translation of $1.1 million and transaction losses of $1.6 million, principally related to the non-recurrence of $1.1 million of transactional gains in the comparable period in the prior year as well as $0.5 million of transaction losses in the current year. These increases were partially offset by the non-recurrence of $8.3 million of expenses related to the Company's cost savings initiative in the prior year, the non-recurrence of $2.9 million in expenses related to the acquisition of the Olivia Burton brand in the prior year and lower costs of $2.9 million as a result of the Company's decision to no longer participate in the Basel Fair.

Company Stores Operating Income. Operating income of $9.3 million and $7.3 million was recorded in the Company Stores segment for the nine months ended October 31, 2018 and 2017, respectively. The increase in operating income of $2.0 million was the result a higher gross profit of $4.5 million partially offset by higher SG&A expenses of $2.5 million. The higher gross profit was the result of higher net sales and a higher gross margin percentage. The increase in SG&A expenses of $2.5 million was primarily due to rent and payroll related costs associated with the opening of new outlet locations.

Income Taxes. On December 22, 2017, the 2017 Tax Act was signed into law, which significantly changed U.S. corporate income tax laws by, among other things, lowering the corporate tax rate from 35.0% to 21.0%, limiting the deductibility of interest expense and executive compensation, establishing a territorial tax system, and imposing a one-time mandatory deemed Transition Tax on undistributed foreign earnings which have not been previously taxed.

During the nine months ended October 31, 2018, the Company recorded a provisional benefit of $3.9 million related to foreign withholding taxes recorded in the fiscal year ended January 31,2018 in connection with unremitted earnings which were earmarked for repatriation. This change in estimate of the deferred tax liability related to unremitted earnings and all other amounts recorded in the fiscal year ended January 31, 2018 related to the 2017 Tax Act remain provisional. These estimates are subject to revision due to changes in the Company's analysis and assumptions related to certain matters, such as updates to estimates and amounts related to the earnings and profits and tax pools of certain subsidiaries and the Company's indefinite reinvestment assertion, including the measurement of deferred withholding taxes on foreign unremitted earnings. The estimated impact of the 2017 Tax Act is also subject to change as a result of additional guidance from, and interpretations by, U.S. regulatory and standard-setting bodies, as well as state tax conformity to federal tax law. The Company expects to complete its assessment of these items within the measurement period, and any adjustments to the provisional amounts initially recorded will be included as an adjustment to income tax expense or benefit in the period in which the amounts are determined.

The Company continues to evaluate the impact of the global intangible low-tax income ("GILTI") provision within the 2017 Tax Act which would require the current inclusion in federal taxable income, earnings of certain foreign controlled corporations. GILTI is subject to continuing regulatory interpretation by the U.S. Internal Revenue Service ("IRS") and while the Company has included an estimate of GILTI in its estimated effective tax rate for the fiscal year ended January 31,2019, it has not yet elected a policy as to whether it will recognize deferred taxes for basis differences expected to reverse as GILTI or whether the Company will account for GILTI as period costs when and if incurred. Adjustments related to the amount of GILTI recorded in its consolidated financial statements may be required based on the outcome of this election. The Company will continue to evaluate these provisions and elect an accounting policy within the measurement period.

The Company recorded income tax expense of $0.7 million and $10.3 million for the nine months ended October 31, 2018 and 2017, respectively.

The effective tax rate was 1.5% and 35.6% for the nine months ended October 31, 2018 and 2017, respectively. The change in the effective tax rate was primarily due to a change in estimate of the Company's provisional deferred withholding tax liability on unremitted foreign earnings, the release of valuation allowances against certain foreign deferred tax assets and changes in jurisdictional earnings.

The effective tax rate for the nine months ended October 31, 2018 differs from the U.S. statutory tax rate of 21.0% primarily due to a change in estimate of the Company's provisional deferred withholding tax liability on unremitted foreign earnings, the release of valuation allowances against certain foreign deferred tax assets and the impact of other discrete items.

The effective tax rate for the nine months ended October 31, 2017 differs from the U.S. statutory tax rate of 35.0% primarily due to changes in jurisdictional earnings and the impact of discrete items, partially offset by no tax benefit being recognized on losses incurred by certain foreign operations, as well as an increase primarily due to the adoption of ASU 2016-09 and acquisition costs related to the acquisition of the Olivia Burton brand.

Net Income / (Loss) Attributed to Movado Group, Inc. The Company recorded net income attributed to Movado Group, Inc. of $44.2 million and $18.7 million, for the nine months ended October 31, 2018 and 2017, respectively.

LIQUIDITY AND CAPITAL RESOURCES

At October 31, 2018 and October 31, 2017, the Company had $142.7 million and $155.5 million, respectively of cash and cash equivalents, of which, $123.1 million and $143.9 million, respectively consisted of cash and cash equivalents at the Company's foreign subsidiaries. The Company has recorded a provisional deferred tax liability for foreign withholding and U.S. state income taxes of $6.5 million related to $131.3 million of foreign earnings. A deferred tax liability has not been recorded for the remaining undistributed foreign earnings of approximately $134.5 million. In light of the 2017 Tax Act, the Company continues to evaluate its assertion related to the indefinite reinvestment of earnings in its foreign operations. In accordance with Staff Accounting Bulletin 118, if the Company revises its assertion during the measurement period, the change, and any corresponding adjustment, would be recorded as part of the 2017 Tax Act enactment in the period in which the revision is determined.

Cash provided by operating activities was $26.8 million as compared to $9.4 million used in operating activities for the nine months ended October 31, 2018 and 2017, respectively. The $26.8 million of cash provided by operating activities for the nine months ended October 31, 2018, was primarily due to net income for the period of $44.2 million and favorable non-cash items of $5.1 million, partially offset by the change in working capital of $24.8 million. The $9.4 million of cash used in operating activities for the nine months ended October 31, 2017, was primarily due to an unfavorable change in working capital as presented on the Consolidated Statements of Cash Flows of $56.1 million, partially offset by favorable non-cash items of $28.7 million, which included a $13.4 million charge related to the Company's cost savings initiatives, and net income of $18.7 million. The unfavorable change in working capital of $56.1 million was primarily due to the increases in accounts receivable as a result of the seasonality of sales and the normal building of inventory in anticipation of the holiday selling season in the fourth quarter, as well as inventory build related to the acquisition of the Olivia Burton brand, partially offset by higher accrued liabilities. Included in the change in working capital for the nine month ended October 31,2017 were $5.4 million of payments related to the Company's cost savings initiatives. The year over year improvement in working capital is primarily due to improvement in accounts receivable collection and higher accounts payable, partially offset by higher inventory on strong sales.

Cash used in investing activities was $101.4 million and $82.0 million for the nine months ended October 31, 2018 and 2017, respectively. The cash used in investing activities for the nine months ended October 31, 2018 was primarily for the acquisition, net of cash acquired, of the MVMT brand and capital expenditures related to the opening and renovations of the Company's retail outlet locations and capital expenditures related to office improvements. The cash used in investing activities for the nine months ended October 31, 2017 was primarily for the acquisition, net of cash acquired, of the Olivia Burton brand and capital expenditures primarily related to the opening and renovations of the Company's retail outlet locations and capital expenditures related to the construction of shop-in-shops at some of the Company's wholesale customers.

Cash provided by financing activities was $12.4 million as compared to $12.6 million used in financing activities for the nine months ended October 31, 2018 and 2017, respectively. Cash provided by financing activities for the nine months ended October 31, 2018 include proceeds from bank borrowings and the exercise of certain stock awards, partially offset by the repayment of bank borrowings, the payment of dividends and the repurchase of shares of the Company's common stock. Cash used in financing activities for the nine months ended October 31, 2017 included the payment of dividends, the repurchase of shares of the Company's common stock, and the surrender of shares in connection with the vesting of certain stock awards.

On October 12, 2018, Movado Group, Inc. (the "Company"), together with Movado Group Delaware Holdings Corporation, Movado Retail Group, Inc. and Movado LLC (together with the Company, the "U.S. Borrowers"), each a wholly owned domestic subsidiary of the Company, and Movado Watch Company SA and MGI Luxury Group S.A. (collectively, the "Swiss Borrowers" and, together with the U.S. Borrowers, the "Borrowers"), each a wholly owned Swiss subsidiary of the Company, entered into an Amended and Restated Credit Agreement (the "Credit Agreement") with the lenders party thereto and Bank of America, N.A. as administrative agent (in such capacity, the "Agent"). The Credit Agreement amends and restates the Company's existing credit agreement dated as of January 30, 2015 and extends the maturity of the $100.0 million senior secured revolving credit facility (the "Facility") provided thereunder to October 12, 2023. The Facility includes a $15.0 million letter of credit subfacility, a $25.0 million swingline subfacility and a $75.0 million sublimit for borrowings by the Swiss Borrowers, with provisions for uncommitted increases to the Facility of up to $50.0 million in the aggregate subject to customary terms and conditions.

As of October 31, 2018, there were 50.0 million in Swiss francs with a dollar equivalent of $49.6 million in loans drawn under the Facility. Additionally, approximately $0.3 million in letters of credit, which were outstanding under the Borrower's existing credit agreement, are deemed to be issued and outstanding under the Facility. As of October 31, 2018, availability under the Facility was approximately $50.1 million.

Borrowings under the Facility bear interest at rates selected periodically by the Company at LIBOR plus 1.00% per annum (subject to increases based on the Company's consolidated leverage ratio that could increase the rate up to a maximum of LIBOR plus 1.75% per annum) or a base rate plus 0% (subject to increases based on the Company's consolidated leverage ratio that could increase the rate up to a maximum of a base rate plus 0.75% per annum). The Company has also agreed to pay certain fees and expenses and to provide certain indemnities, all of which are customary for such financings.

The borrowings under the Facility are joint and several obligations of the Borrowers and are also cross-guaranteed by each Borrower, except that the Swiss Borrowers are not liable for, nor do they guarantee, the obligations of the U.S. Borrowers. In addition, the Borrowers' obligations under the Facility are secured by first priority liens, subject to permitted liens, on substantially all of the U.S. Borrowers' assets other than certain excluded assets. The Swiss Borrowers do not provide collateral to secure the obligations under the Facility. The security agreement under the Company's existing credit agreement remains in place in connection with the Facility and contains representations and warranties and covenants, which are customary for pledge and security agreements of this type, relating to the creation and perfection of security interests in favor of the Agent over various categories of the U.S. Borrowers' assets.

The Credit Agreement contains affirmative and negative covenants binding on the Company and its subsidiaries that are customary for credit facilities of this type, including, but not limited to, restrictions and limitations on the incurrence of debt and liens, dispositions of assets, capital expenditures, dividends and other payments in respect of equity interests, the making of loans and equity investments, mergers, consolidations, liquidations and dissolutions, and transactions with affiliates (in each case, subject to various exceptions).

The Borrowers are also subject to a minimum consolidated EBITDA (as defined in the Credit Agreement) test of $50.0 million, measured at the end of each fiscal quarter based on the four most recent fiscal quarters and a consolidated leverage ratio (as defined in the Credit Agreement) covenant not to exceed 2.50 to 1.00, measured as of the last day of each fiscal quarter. As of October 31, 2018, the Company was in compliance with its covenants under the Credit Agreement.

The Credit Agreement contains events of default that are customary for facilities of this type, including, but not limited to, nonpayment of principal, interest, fees and other amounts when due, failure of any representation or warranty to be true in any material respect when made or deemed made, violation of covenants, cross default with material indebtedness, material judgments, material ERISA liability, bankruptcy events, asserted or actual revocation or invalidity of the loan documents, and change of control.

As of October 31, 2018, Bank of America, N.A. issued two irrevocable standby letters of credit in connection with operating facility leases to landlord and for Canadian payroll to the Royal Bank of Canada. As of October 31, 2018, the Company had outstanding letters of credit totaling $0.3 million with expiration dates through May 31, 2019.

A Swiss subsidiary of the Company maintains unsecured lines of credit with an unspecified maturity with a Swiss bank. As of October 31, 2018, and 2017, these lines of credit totaled 6.5 million Swiss francs for both periods, with a dollar equivalent of $6.4 million and $6.5 million, respectively. As of October 31, 2018, and 2017, there were no borrowings against these lines. As of both October 31, 2018 and 2017, two European banks had guaranteed obligations to third parties on behalf of two of the Company's foreign subsidiaries in the dollar equivalent of $1.1 million in various foreign currencies, of which $0.6 million is a restricted deposit as it relates to lease agreements.

The Company paid dividends of $0.60 per share or approximately $13.9 million for the nine months ended October 31, 2018 and paid dividends of $0.39 per share or approximately $9.0 million for the nine months ended October 31, 2017.

On December 4, 2018, the Board of Directors approved the payment of a cash dividend in the amount of $0.20 for each share of the Company's outstanding common stock and class A common stock. The dividend will be paid on December 28, 2018 to all shareholders of record as of the close of business on December 14, 2018. The decision of whether to declare any future cash dividend, including the amount of any such dividend and the establishment of record and payment dates, will be determined, in each quarter, by the Board, in its sole discretion.

On October 1, 2018, the Company acquired MVMT Watches, Inc. owner of the MVMT a global aspirational lifestyle brand ("MVMT"), for an initial payment of $100.0 million, or approximately $85 million net of tax benefits that are anticipated to be generated from the acquisition, and two future contingent payments that combined could total up to an additional $100 million before tax benefits. The exact amount of the future payments will be determined by MVMT's future financial performance with no minimum required future payment. After giving effect to the closing adjustments, the purchase price was $108.4 million, net of cash acquired of approximately $3.8 million. The acquisition was funded with cash on hand, although the Company replenished approximately $50 million of such cash through borrowings under its revolving credit facility in October 2018. The acquisition adds a new brand with significant global growth potential to the Company's portfolio.

Management believes that the cash on hand, availability under its credit facility and the expected cash flow from operations and the Company's short-term borrowing capacity will be sufficient to meet its working capital needs for at least the next twelve months.

Off-Balance Sheet Arrangements

The Company does not have off-balance sheet financing or unconsolidated special-purpose entities.

Accounting Changes and Recent Accounting Pronouncements

See Note 2 and 14 to the accompanying unaudited consolidated financial statements for a description of certain accounting changes and recent accounting pronouncements, which may impact our consolidated financial statements in future reporting periods.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Foreign Currency Risk

The Company's primary market risk exposure relates to foreign currency exchange risk. A significant portion of the Company's purchases are denominated in Swiss francs and, to a lesser extent, the Japanese Yen. The Company also sells to third-party customers in a variety of foreign currencies, most notably the Euro and the British Pound. The Company reduces its exposure to the Swiss franc, Euro, British Pound and Japanese Yen exchange rate risk through a hedging program. Under the hedging program, the Company manages most of its foreign currency exposures on a consolidated basis, which allows it to net certain exposures and take advantage of natural offsets. In the event these exposures do not offset, from time to time the Company uses various derivative financial instruments to further reduce the net exposures to currency fluctuations, predominately forward and option contracts. Certain of these contracts meet the requirements of qualified hedges. In these circumstances, the Company designates and documents these derivative instruments as a cash flow hedge of a specific underlying exposure, as well as the risk management objectives and strategies for undertaking the hedge transactions. Changes in the fair value of hedges designated and documented as a cash flow hedge and which are highly effective, are recorded in other comprehensive income until the underlying transaction affects earnings, and then are later reclassified into earnings in the same account as the hedged transaction. The earnings impact is mostly offset by the effects of currency movements on the underlying hedged transactions.

From time to time the Company uses forward exchange contracts, which do not meet the requirements of qualified hedges, to offset its exposure to certain foreign currency receivables and liabilities. These forward contracts are not designated as qualified hedges and, therefore, changes in the fair value of these derivatives are recognized in earnings in the period they arise, thereby offsetting the current earnings effect resulting from the revaluation of the related foreign currency receivables and liabilities. To the extent that the Company does not engage in a hedging program, any change in the Swiss franc, Euro, British Pound and Japanese Yen exchange rates to local currency have an equal effect on the Company's earnings.

As of October 31, 2018, the Company's entire net forward contracts hedging portfolio consisted of 38.0 million Swiss francs equivalent, 16.7 million Euros equivalent,4.6 million British Pounds equivalent, and 22.2 million Chinese Yuan equivalent, with various expiry dates ranging through April 24,2019 compared to a portfolio of 23.0 million Swiss francs equivalent, 12.8 million Euros equivalent and 11.3 million British Pounds equivalent, with various expiry dates ranging through April 10, 2018. If the Company were to settle its Swiss franc forward contracts at October 31, 2018 and 2017, the net result would be a loss of $0.3 million, net of tax benefit of $0.1 million and a loss of $0.4 million, net of tax of $0.3 million, respectively. If the Company were to settle its Euro forward contracts at October 31, 2018 and 2017, the net result would be a nil and an immaterial gain, respectively. As of October 31, 2018, and 2017, the Company's British Pound forward contracts had no value. The Company had no Swiss franc, Euro or British Pound option contracts related to cash flow hedges as of October 31, 2018 and 2017, respectively.

Commodity Risk

The Company considers its exposure to fluctuations in commodity prices to be primarily related to gold used in the manufacturing of the Company's watches. Under its hedging program, the Company can purchase various commodity derivative instruments, primarily futures contracts. Contracts that meet the requirements of qualified hedges are documented as qualified cash flow hedges, and the resulting gains and losses on these derivative instruments are first reflected in other comprehensive income, and later reclassified into earnings, partially offset by the effects of gold market price changes on the underlying actual gold purchases. Changes in the fair value of contracts that are not qualified hedges are recognized in the period they arise. The Company did not hold any future contracts in its gold hedge portfolio as of October 31, 2018 and 2017; thus, any changes in the gold purchase price will have an equal effect on the Company's cost of sales.

Debt and Interest Rate Risk

The Company has certain debt obligations with variable interest rates, which are based on LIBOR plus a spread of 1.00% per annum (subject to increases based on the Company's consolidated leverage ratio that could increase the rate up to a maximum of LIBOR plus 1.75% per annum) or a base rate plus 0% (subject to increases based on the Company's consolidated leverage ratio that could increase the rate up to a maximum of a base rate plus 0.75% per annum). The Company does not hedge these interest rate risks. As of October 31, 2018, the Company had 50 million in Swiss franc debt equivalent to $49.6 million dollars. The Company estimates that a 1% increase in interest rates would decrease the Company's annual income by approximately $0.4 million. For additional information concerning potential changes to future interest obligations, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources."

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives. However, it should be noted that a control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that its objectives will be met and may not prevent all errors or instances of fraud.

The Company, under the supervision and with the participation of its management, including the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures, as such terms are defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective at a reasonable assurance level as of the end of the period covered by this report.

Changes in Internal Control Over Financial Reporting

As of February 1, 2018, the Company implemented ASC 606, Revenue form Contracts and Customers and the Company designed and implemented new internal controls related to the recognition, measurement and disclosure of the Company's revenues under ASC 606.

On October 1, 2018, the Company acquired MVMT Watches, Inc, the owner of the MVMT brand ("MVMT"). In conducting its evaluation of the effectiveness of internal controls over financial reporting as of October 31, 2018, the Company excluded MVMT Watches, Inc. from that evaluation in accordance with the rules relating to recently-acquired entities.

There have been no other changes in the Company's internal control over financial reporting during the three months ended October 31, 2018 that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

The Company is involved in legal proceedings and claims from time to time, in the ordinary course of its business. Legal reserves are recorded in accordance with the accounting guidance for contingencies. Contingencies are inherently unpredictable and it is possible that results of operations, balance sheets or cash flows could be materially and adversely affected in any particular period by unfavorable developments in, or resolution or disposition of, such matters. For those legal proceedings and claims for which the Company believes that it is probable that a reasonably estimable loss may result, the Company records a reserve for the potential loss. For proceedings and claims where the Company believes it is reasonably possible that a loss may result that is materially in excess of amounts accrued for the matter, the Company either discloses an estimate of such possible loss or range of loss or includes a statement that such an estimate cannot be made. As of October 31, 2018, the Company is party to legal proceedings and contingencies, the resolution of which is not expected to materially affect its financial condition, future results of operations beyond the amounts accrued, or cash flows.

In December 2016, U.S. Customs and Border Protection ("U.S. Customs") issued an audit report concerning the methodology used by the Company to allocate the cost of certain watch styles imported into the U.S. among the component parts of those watches for tariff purposes. The report disputes the reasonableness of the Company's historical allocation formulas and proposes an alternative methodology that would imply approximately $5.1 million in underpaid duties over the five-year period covered by the statute of limitations, plus possible penalties and interest. The Company believes that U.S. Customs' alternative duty methodology and estimate are not consistent with the Company's facts and circumstances and is disputing U.S. Customs' position. On February 24, 2017, the Company provided U.S. Customs with supplemental analyses and information supporting the Company's historical allocation formulas and thereafter provided additional information for U.S. Customs' review. Although the Company disagrees with U.S. Customs' position, it cannot predict with any certainty the outcome of this matter. The Company intends to continue to work with U.S. Customs to reach a mutually-satisfactory resolution.

On October 23, 2018, Swiss Time Watch & Jewellry GmbH ("ST Germany") filed a lawsuit against the Company in the Superior Court of California for the County of Los Angeles. The lawsuit primarily alleges that the Company, as legal successor to MVMT Watches, Inc., has failed to perform its obligations under the parties' August 1, 2018 distribution agreement (the "ST Germany Agreement") pursuant to which ST Germany was granted the right, subject to certain limitations, to distribute a curated collection of MVMT watch styles in Germany. ST Germany also alleges various related torts and statutory violations and seeks specific performance of the ST Germany Agreement as well as unspecified monetary damages. The Company believes that ST Germany's tort and statutory claims are without merit and that ST Germany is not entitled to specific performance. In addition, the ST Agreement caps the Company's liability to the aggregate amounts paid by ST Germany thereunder. The Company intends to defend the lawsuit vigorously and does not expect it to materially affect the Company's financial condition or future results of operations.

Item 1A. Risk Factors

As of October 31, 2018, there have been no material changes to any of the risk factors previously reported in the Company's 2018 Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On August 29, 2017, the Board of Directors approved a share repurchase program under which the Company is authorized to purchase up to $50.0 million of its outstanding common stock from time to time, depending on market conditions, share price and other factors. Under the program the Company is authorized to purchase shares of its common stock through open market purchases, repurchase programs, block trades or otherwise. This authorization expires on August 29, 2020. During the three months ended October 31, 2018, the Company repurchased a total of 46,791 shares of its common stock in the open market at a total cost of approximately $1.9 million or an average cost of $40.07 per share.

There were 1,024 shares of common stock repurchased during the three months ended October 31, 2018 as a result of the surrender of shares in connection with the vesting of certain stock awards. At the election of an employee, shares having an aggregate value on the vesting date equal to the employee's withholding tax obligation may be surrendered to the Company to fund the payment of such taxes.

The following table summarizes information about the Company's purchases for the three months ended October 31, 2018 of equity securities that are registered by the Company pursuant to Section 12 of the Securities Exchange Act of 1934, as amended:

Issuer Repurchase of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Amount that May Yet Be Purchased Under the Plans or Programs
August 1, 2018 – August 31, 2018	—	$ —	—	$ 45,967,702
September 1, 2018 – September 30, 2018	19,024	42.48	18,000	45,206,025
October 1, 2018 – October 31, 2018	28,791	38.66	28,791	44,092,830
Total	47,815	$ 40.18	46,791	$ 44,092,830

Item 6. Exhibits

2.1	Securities Purchase Agreement, dated as of August 15, 2018, relating to the acquisition of MVMT Watches, Inc.*
3.1	Certificate of Amendment, dated as of October 9, 2018, to the Company's Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.2 to the Company's Current Report on form 8-K filed on October 9, 2018).
4.1	Amended and Restated Credit Agreement, dated as of October 12, 2018, among the Company, certain U.S. and Swiss subsidiaries thereof, the lenders party thereto and Bank of America, N.A. as administrative agent.*
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial information from Movado Group, Inc.'s Quarterly Report on Form 10-Q for the quarter ended October 31, 2018 filed with the SEC, formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Balance Sheets; (ii) the Consolidated Statements of Operations; (iii) the Consolidated Statements of Comprehensive Income; (iv) the Consolidated Statements of Cash Flows; and (v) the Notes to the Consolidated Financial Statements.

* Filed herewith.

SIGNATURE

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.

MOVADO GROUP, INC.
(Registrant)

Dated: December 4, 2018

By: /s/ Sallie A. DeMarsilis
Sallie A. DeMarsilis
Senior Vice President,
Chief Financial Officer and
Principal Accounting Officer

NO AGREEMENT, ORAL OR WRITTEN, REGARDING OR RELATING TO ANY OF THE MATTERS COVERED BY THIS DRAFT AGREEMENT HAS BEEN ENTERED INTO BETWEEN THE PARTIES. THIS DOCUMENT, IN ITS PRESENT FORM OR AS IT MAY BE HEREAFTER REVISED BY ANY PARTY, WILL NOT BECOME A BINDING AGREEMENT OF THE PARTIES UNLESS AND UNTIL IT HAS BEEN SIGNED BY ALL PARTIES. THE EFFECT OF THIS LEGEND MAY NOT BE CHANGED BY ANY ACTION OF THE PARTIES.

SECURITIES PURCHASE AGREEMENT

by and among

MOVADO GROUP, INC.,

THE JACOB KASSAN REVOCABLE TRUST, U/A/D MARCH 28, 2017

THE JACOB KASSAN 2017 ANNUITY TRUST, U/A/D MARCH 28, 2017,

THE KRAMER LAPLANTE REVOCABLE TRUST, U/A/D MARCH 28, 2017,

THE KRAMER LAPLANTE 2017 ANNUITY TRUST, U/A/D MARCH 28, 2017,

MVMT WATCHES INC.,

ATOMIC NEWCO, INC.,

FORTIS ADVISORS LLC,
in its capacity as the Sellers' Representative,

JACOB MICHAEL KASSAN,
solely with respect to Section 7.5, Section 7.6 and Section 7.15 hereof,

and

KRAMER CRAIG LAPLANTE,
solely with respect to Section 7.5, Section 7.6 and Section 7.15 hereof

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Dated as of August 15, 2018

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SECURITIES PURCHASE AGREEMENT

SECURITIES PURCHASE AGREEMENT, dated as of August 15, 2018 (this "Agreement"), by and among (i) Movado Group, Inc., a New York corporation (the "Buyer"), (ii) Atomic NewCo, Inc., a California corporation ("NewCo"), (iii) the Jacob Kassan Revocable Trust, u/a/d March 28, 2017, a revocable trust (the "Kassan Revocable Trust"), (iv) the Jacob Kassan 2017 Annuity Trust, u/a/d March 28, 2017, an annuity trust (the "Kassan Annuity Trust"), (v) the Kramer LaPlante Revocable Trust, u/a/d March 28, 2017, a revocable trust (the "LaPlante Revocable Trust"), (vi) the Kramer LaPlante 2017 Annuity Trust, u/a/d March 28, 2017, an annuity trust (the "LaPlante Annuity Trust"), (vii) MVMT Watches Inc., a California corporation (the "Company"), (viii) Fortis Advisors LLC, a Delaware limited liability company (the "Initial Representative"), in its capacity as the Sellers' Representative, (ix) solely with respect to Section 7.5, Section 7.6 and Section 7.15 hereof (collectively, the "Founder Provisions"), Jacob Michael Kassan, an individual ("Kassan") and (x) solely with respect to the Founder Provisions, Kramer Craig LaPlante ("LaPlante"). Each of the Kassan Revocable Trust, the Kassan Annuity Trust, the LaPlante Revocable Trust and the LaPlante Annuity Trust are referred to in this Agreement as a "Company Shareholder" and collectively with NewCo as the "Sellers". Each of Kassan and LaPlante are referred to in this Agreement as a "Founder" and collectively as the "Founders".

RECITALS

A. At least one day before the Closing, in a transaction that is intended to qualify as a "reorganization" within the meaning of Section 368(a)(1)(F) of the Code, (i) the Company Shareholders will have contributed all of the outstanding equity interests of the Company to NewCo in exchange for shares of Capital Stock of NewCo, (ii) NewCo will (and the Company Shareholders will cause NewCo to) elect to treat the Company as a "qualified subchapter S subsidiary" within the meaning of Section 1361(b)(3)(B) and any analogous state or local Law, effective as of the date of the Reorganization, (iii) the Company will have been converted from a California corporation to a California limited liability company and (iv) all of the Vested Options and Unvested Options at the Company shall be converted into options to purchase shares of Capital Stock of NewCo (instead of shares of common stock of the Company) so that after such conversion no Options are outstanding with respect to Interests in the Company, all in a manner consistent with this Agreement (steps (i) through (iv) collectively, the "Reorganization").

B. Prior to the Reorganization, the Company Shareholders are the record and beneficial owners of all of the outstanding shares of the Company and all of the outstanding shares of NewCo, and, after the Reorganization, NewCo will be the record and beneficial owner of all of the outstanding shares of the Company (such outstanding shares of the Company, together with the limited liability company interests into which such shares are converted pursuant to the Reorganization, as the context requires, the "Interests").

C. The Sellers wish to sell to the Buyer, and the Buyer wishes to purchase from the Sellers, all of the Interests on the terms and subject to the conditions set forth in this Agreement.

D. Kassan and LaPlante are entering into employment agreements with the Company (collectively, the "Employee Agreements") concurrently with the execution and delivery of this Agreement, which Employment Agreements are attached as Exhibit B.

E. As indirect equityholders of NewCo and the Company, each Founder hereby acknowledges that (i) he will receive substantial benefits from the consummation of the transactions contemplated hereby, including the indirect receipt of such Founder's share of the consideration payable to the Sellers; (ii) the execution of this Agreement by the Founders with respect to the Founder Provisions is a material condition to Buyer's willingness to enter into this Agreement and consummate the transactions contemplated thereby; and (iii) each Founder has considered the effects of this Agreement, considers them reasonable and, in order to induce Buyer to enter into this Agreement and consummate the transactions contemplated thereby, such Party is willing to enter into and be bound by this Agreement.

ACCORDINGLY, in consideration of the foregoing and the mutual representations, warranties, covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement, intending to be legally bound, agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. The following capitalized terms shall have the following meanings for all purposes of this Agreement:

"2020 Average EBITDA" means the average annual Brand EBITDA of the Company during the 2020 Earn-Out Period.

"2020 Average Revenue" means the average annual Revenue of the Company during the 2020 Earn-Out Period.

"2020 Earn-Out Payment" means, for the 2020 Earn-Out Period, an amount equal to (i) 12.0% multiplied by the amount equal to (A) the 2020 Average Revenue minus (B) $100,000,000, plus (ii) 81.0% multiplied by the amount equal to (A) the 2020 Average EBITDA minus (B) $10,000,000.

"2020 Earn-Out Period" means the period commencing on February 1, 2019 and ending January 31, 2021.

"2022 Average EBITDA" means the average annual Brand EBITDA of the Company during the 2022 Earn-Out Period.

"2022 Average Revenue" means the average annual Revenue of the Company during the 2022 Earn-Out Period.

"2022 Earn-Out Payment" means, for the 2022 Earn-Out Period, an amount equal to (i) 7.5% multiplied by the amount equal to (A) the 2022 Average Revenue minus (B) $100,000,000, plus (ii) 101.25% multiplied by the amount equal to (A) the 2022 Average EBITDA minus (B) $10,000,000.

"2022 Earn-Out Period" means the period commencing on February 1, 2021 and ending January 31, 2023.

"Acquisition Proposal" means any inquiry, proposal or offer from any Person (other than Buyer) relating to any (a) direct or indirect purchase, transfer, acquisition or other disposition (whether in a single transaction or a series of related transactions) of assets of the Company equal to five percent (5%) or more of the value of the assets of the Company or to which five percent (5%) or more of the revenues or earnings of the Company are attributable, (b) tender offer for, or direct or indirect acquisition (whether in a single transaction or a series of related transactions) of any of the Interests or other Capital Stock of the Company, or (c) merger, consolidation, share exchange, business combination, liquidation, dissolution or similar transaction involving the Company or involving the assets of the Company with a value set forth in clause (a) of this definition; in each case, other than the Contemplated Transactions.

"Action" means any action, claim, demand, arbitration, hearing, charge, complaint, audit, investigation, examination, indictment, litigation, suit or other civil, criminal, administrative or investigative proceedings.

"Adjustment Amount" means the Net Working Capital Adjustment, plus Closing Cash, minus Closing Indebtedness, minus Transaction Expenses to the extent neither is included in Current Liabilities nor paid prior to the Closing Date.

"Affiliate" means, with respect to any specified Person, any other Person that directly or indirectly controls, is controlled by or is under common control with such specified Person. For the purposes of this definition, the term "control," when used with respect to any specified Person, means the power to direct or cause the direction of the management or policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have correlative meanings.

"Allocation" means the allocation of the Purchase Price (and any assumed liabilities and all other amounts treated as compensation required to be taken into account for such purpose) among the assets of the Company in accordance with Section 1060 of the Code and as finally determined pursuant to Section 2.9.

"Average EBITDA" means the 2020 Average EBITDA or the 2022 Average EBITDA, as applicable.

"Average Revenue" means the 2020 Average Revenue or the 2022 Average Revenue, as applicable.

"Balance Sheet Rules" means, collectively, GAAP applied on a basis consistent with the preparation of the Financial Statements, as modified by the calculations and principles set forth on Exhibit C.

"Benefit Plan" means any pension, profit-sharing, savings, retirement, employment, collective bargaining, consulting, severance, termination, executive compensation, incentive compensation, deferred compensation, bonus, tax gross-up, stock purchase, stock option, phantom stock or other equity-based compensation, change-in-control, retention, salary continuation, vacation, sick leave, disability, supplemental executive retirement, retirement, death benefit, group insurance, hospitalization, medical, dental, life (including all individual life insurance policies as to which the Company is the owner, the beneficiary or both), retiree medical, Code Section 125 "cafeteria" or "flexible" benefit, employee loan, educational assistance or fringe benefit plan, program, policy, practice, agreement or arrangement, whether written or oral, formal or informal, including each "employee benefit plan" within the meaning of ERISA, Multiemployer Plan and other employee benefit plan, program, policy, practice, agreement or arrangement, whether or not subject to ERISA (including any funding mechanism therefor now in effect or required in the future as a result of the Contemplated Transactions).

"Brand EBITDA" means the earnings before interest, taxes, depreciation and amortization of the MVMT Watches Inc. brand calculated in accordance with the principles set forth on Schedule 1.1(a).

"Business" shall mean, following the Closing, the MVMT Watches Inc. business unit of the Buyer and its Subsidiaries.

"Business Day" means any day other than a Saturday, a Sunday or other day on which commercial banks in New York, New York are authorized or required by Law to close.

"Buyer Fundamental Representations" means the representations and warranties set forth in Sections 6.1 (Corporate Organization), 6.2 (Due Authorization), 6.3(c) (No Conflict) and 6.8 (Brokers).

"Buyer Material Adverse Effect" means any Effect that would prevent, materially delay or impede the performance by Buyer of its covenants and obligations hereunder or the consummation of the Contemplated Transactions.

"Capital Stock" means (a) any shares, interests, participations or other equivalents (however designated) of capital stock of a corporation; (b) any ownership interests in a Person other than a corporation, including membership interests, partnership interests, joint venture interests and beneficial interests; and (c) any warrants, options, convertible or exchangeable securities, subscriptions, rights (including any preemptive or similar rights), calls or other rights to purchase or acquire any of the foregoing, and any rights that derive their value from any of the foregoing.

"Closing Cash" means the amount of cash and cash equivalents of the Company outstanding as of 5:00 p.m. local time in New York, New York on the day of the Closing (including marketable securities and short term investments and uncashed checks received by the Company prior to 5:00 p.m. local time in New York, New York on the day of the Closing), calculated in accordance with the Balance Sheet Rules, and determined without giving effect to the Contemplated Transactions; provided that "Cash" shall not include any (a) cash and cash equivalents held by the Company in trust on behalf of any customer of the Company, including the items set forth on Schedule 1.1(c), (b) any issued but uncleared checks or (c) cash generated as a result of a breach of Section 5.10(a) or Section 7.1 relating thereto.

"Closing Indebtedness" means the amount of Indebtedness of the Company outstanding as of 5:00 p.m. local time in New York, New York on the day of the Closing, calculated in accordance with the Balance Sheet Rules, as modified by the calculations and principles set forth on Exhibit C, and determined without giving effect to the Contemplated Transactions; provided, however, that Closing Indebtedness shall not include any amounts to the extent such amounts are either (i) included as Transaction Expenses or Current Liabilities hereunder in the calculation of the Net Working Capital Adjustment, or (ii) are included in the First Escrow Amount or the Second Escrow Amount.

"Closing Spreadsheet" means a spreadsheet setting forth: (A) the Per Interest Price; (B) the Expense Fund Amount; (C) the First Escrow Amount; (D) the Second Escrow Amount; (E) the Indemnity Escrow Amount; (F) the Adjustment Escrow Amount; (G) with respect to each Company Shareholder, (i) the number of shares of Capital Stock of the Company held by such Seller; (ii) the amount of cash to be paid to such Seller at the Closing in respect of such shares; (iii) such Seller's Transaction Percentage, expressed as a percentage; and (iv) such other relevant information that Buyer or the Escrow Agent may reasonably require; (H) with respect to each holder of a Option, (i) such Person's address and, if available to the Company, social security number (or tax identification number, as applicable); (ii) the number of shares and type of Capital Stock underlying each Option held by such Person; (iii) the amount of cash to be paid in respect of each such Option at the Closing; (iv) the respective exercise price per share of such Options; (v) the respective grant date(s) of such Options; (vi) the respective vesting arrangement(s), including any Vesting Acceleration Schedule; (vii) whether such Options are incentive stock options or non-qualified stock options; (viii) in the case of each Unvested Options, the Unvested Options Cash amount in respect of each such Unvested Option; (ix) such holder of Option's Transaction Percentage, expressed as a percentage; and (x) such other relevant information that Buyer or Escrow Agent may

reasonably require; and (I) with respect to each Transaction Bonus Recipient, (i) the amount of cash to be paid to such Transaction Bonus Recipient at the Closing and corresponding Effective Transaction Bonus Shares; (ii) such Person's address and, if available to the Company, social security number (or tax identification number, as applicable); (iii) wire instructions for each Transaction Bonus Recipient and (iv) such Transaction Bonus Recipient's Transaction Percentage, expressed as a percentage.

"COBRA" means the United States Consolidated Omnibus Budget Reconciliation Act of 1985.

"Code" means the Internal Revenue Code of 1986.

"Company Fundamental Representations" means the representations and warranties set forth in Sections 5.1 (Company Organization), 5.2 (Due Authorization), 5.4 (No Authorization or Consents Required), 5.6 (Capitalization), 5.7 (Subsidiaries), Section 5.25 (Affiliate Transactions) and 5.26 (Brokers).

"Company Plan" means any Benefit Plan: (a) under which any Service Provider has any present or future right to benefits and that is maintained, sponsored or contributed to by the Company; or (b) with respect to which the Company has any Liability.

"Competing Business" means any business that designs, manufactures, distributes, sells, assembles and/or markets watches, sunglasses, jewelry and/or leather goods.

"Competition Laws" means the Sherman Antitrust Act, the Clayton Antitrust Act, the HSR Act, the Federal Trade Commission Act, and all other Laws that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization, lessening of competition or restraint of trade.

"Contemplated Transactions" means the transactions contemplated by the Transaction Documents.

"Continuing Employee" means each current employee of the Company as of the Closing Date.

"Contract" means any contract, agreement, indenture, note, bond, loan, lease, sublease, conditional sales contract, mortgage, license, sublicense, franchise agreement, obligation, promise, undertaking, commitment or other binding arrangement (in each case, whether written or oral).

"Current Assets" means the current assets of the Company, which current assets shall be calculated in accordance the calculation and principles set forth on Exhibit C.

"Current Liabilities" means the current liabilities of the Company, which current liabilities shall be calculated in accordance the calculation and principles set forth on Exhibit C.

"Disclosure Schedules" means the disclosure schedules, dated as of the date hereof, accompanying this Agreement.

"DOL" means the U.S. Department of Labor.

"Earn-Out Payment" means the 2020 Earn-Out Payment or the 2022 Earn-Out Payment, as applicable.

"Earn-Out Periods" means each of the 2020 Earn-Out Period and the 2022 Earn-Out Period.

"Enforceability Exceptions" means (a) any applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar Laws affecting creditors' rights generally and (b) general principles of equity.

"Environmental Law" means any Law, Order or any Contract with any Governmental Authority, relating to (a) the environment or natural resources, (b) the protection of human health and safety or (c) the regulation or remediation of Hazardous Substances.

"Environmental Permit" means any Permit, license, letter, clearance, consent, waiver, closure, exemption, decision or other action required under or issued, granted, given, authorized by or made pursuant to Environmental Law.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"ERISA Affiliate" means any entity that, at the time of reference, together with the Company, would be treated as a single employer under Section 4001 of ERISA or Section 414 of the Code.

"Escrow Agent" means Citibank, National Association.

"Escrow Agreement" means the escrow agreement in a form reasonably acceptable to Buyer and Sellers' Representative.

"Exercise Price" means, with respect to any Option, the applicable exercise price payable to the Company by the holder of such Option upon the exercise of such Option.

"Export/Import Laws" means all Laws relating to the export or import of any items (including, commodities, software or technology), and all Laws relating to customs, export controls, embargoes, quotas, antiboycott and economic sanctions, including the International Traffic in Arms Regulations, Arms Export Control Act, and Defense Trade Security Initiatives administered by the United States Department of

Defense and the United States Department of State, Directorate of Defense Trade Controls; the Export Administration Regulations (including the antiboycott laws) administered by the United States Department of Commerce, Bureau of Industry and Security, the sanctions and assets control regulations administered by the United States Department of Treasury, Office of Foreign Assets Control, and the United States Customs Laws administered by the United States Department of Homeland Security, Bureau of Customs and Border Protection.

"Fraud" means an act in the making of a specific representation or warranty expressly set forth this Agreement, committed by a Seller (or a Founder on Seller's behalf) making such express representation or warranty and requires (a) a false representation of material fact expressly set forth in the representations and warranties set forth in this Agreement; (b) knowledge that such representation is false; (c) an intention to induce Buyer to act or refrain from acting in reliance upon it; (d) causing Buyer, in justifiable reliance upon such false representation, to take or refrain from taking action; and (e) causing Buyer to suffer damages by reason of such reliance.

"Fundamental Representations" means, collectively, the Company Fundamental Representations and the Seller Fundamental Representations.

"GAAP" means United States generally accepted accounting principles, consistently applied.

"Governmental Authority" means (a) any federal, provincial, state, local, municipal, national or international government or governmental authority, regulatory, environmental or administrative agency, governmental commission, department, board, bureau, agency or instrumentality, court, tribunal, arbitrator or arbitral body (public or private); (b) any self-regulatory organization; or (c) any political subdivision of any of the foregoing.

"Hazardous Substance" means (a) any pollutant, contaminant, waste or chemical; (b) any toxic, radioactive, ignitable, corrosive, reactive or otherwise hazardous substance, waste or material; or (c) any substance, waste or material having any constituent elements displaying any of the foregoing characteristics, including petroleum, its derivatives, by-products and other hydrocarbons and asbestos and asbestos-containing materials.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

"Indebtedness" means, without duplication: (a) any indebtedness or other obligation for borrowed money, whether current, short-term or long-term and whether secured or unsecured; (b) any indebtedness evidenced by any note, bond, debenture or other security or similar instrument; (c) any Liabilities with respect to interest rate or currency swaps, collars, caps and similar hedging obligations; (d) any Liabilities for the deferred purchase price of property or other assets (including any "earn-out" or similar payments); (e) any Liabilities under any performance bond or letter of credit (to the

extent actually drawn) or any bank overdrafts and similar charges; (f) any Liabilities based upon, resulting from or arising out of any unfunded non-U.S. benefit obligation; (g) any shareholder loans; (h) any accrued interest, premiums, penalties and other obligations relating to the foregoing; (i) any indebtedness referred to in clauses (a) through (h) above of any Person that is either guaranteed (including under any "keep well" or similar arrangement) by, or secured (including under any letter of credit, banker's acceptance or similar credit transaction) by any Lien upon any property or asset, excluding any letter of credit to the extent it is not drawn upon; and (j) any off-balance sheet financing of the Company in existence immediately prior to the Closing. Indebtedness shall also include (x) accrued interest and (y) any pre-payment penalties, "breakage costs," redemption fees, costs and expenses or premiums and other amounts owing pursuant to the instruments evidencing Indebtedness (with respect to clause (y) only to the extent that such Indebtedness is repaid on the Closing Date).

"Indemnitor" means any party hereto from which any Indemnitee is seeking indemnification pursuant to the provisions of this Agreement.

"Intellectual Property" means any and all of the following, as they exist anywhere in the world, whether registered or unregistered: (a) patents, patentable inventions, certificates of invention, utility models, and other industrial property rights and patent rights, including reissues, divisions, divisionals, provisionals, continuations, continuations-in-part, renewals, extensions and reexaminations, and all documents and filings claiming priority to or serving as a basis for priority thereof, (b) trademarks, service marks, trade names, service names, brand names, trade dress rights, logos, taglines, corporate names, social media account identifiers, trade styles and other source or business identifiers, together with the goodwill associated with any of the foregoing, (c) copyrights, works of authorship and copyrightable works, (d) software, including all source code, object code and related specifications and documentation ("Software"), (e) trade secrets, know-how, designs, processes, procedures, techniques, methods, data, databases, plans, blueprints, inventions algorithms, APIs, customer lists, vendor lists, confidential business information and any other confidential or proprietary information and rights (whether or not patentable or subject to copyright, mask work or trade secret protection), (f) Internet domain names, (g) any other intellectual property rights of any kind, nature or description, in each case, including any applications, registrations, renewals, modifications and extensions of any of the foregoing and (h) any copies of tangible embodiments thereof (in whatever form or medium).

"Inventory" shall mean all inventory, finished goods, goods-in-transit to the Company's logistics center, parts and work in progress of the Company including those on consignment where the Company is the consignor or held in the possession of any third party.

"IP License" means any and all Contracts pursuant to which the Company (a) is granted the right to use or ownership of any Intellectual Property, (b) grants a right to a third party to use any Intellectual Property or (c) has entered into any agreement not to sue or assert with respect to Intellectual Property, including settlement agreements and co-existence agreements.

"IRS" means the U.S. Internal Revenue Service.

"IT Assets" means any and all computers, Software, servers, workstations, peripherals, routers, hubs, switches, circuits, networks, data communications lines and all other information technology equipment and assets, including all associated documentation, owned, licensed, leased or otherwise used by the Company.

"JPM Facility" means the loan agreement, by and between the Company and JPMorgan Chase Bank, N.A. ("JPM"), dated as of August 22, 2016, as amended by the First Amendment to the Credit Agreement, dated as of May 4, 2017, and as further amended by the Second Amendment to the Credit Agreement, dated as of May 15, 2018.

"Knowledge" means (a) when used in reference to the Company, the knowledge of Jake Kassan and Kramer LaPlante, in each case, after due inquiry; (b) when used in reference to any Seller, the knowledge of such Seller (including the knowledge of the trustee of such Seller excluding any "special trustee" of such Seller), after due inquiry; and (c) when used in reference to the Buyer, the knowledge of Kristi Davidson, Sallie DeMarsilis, Efraim Grinberg and Mitchell Sussis, in each case, after due inquiry.

"Labor Laws" means any Laws relating to employment, employment standards, employment of minors and of interns, employment discrimination, immigration, health and safety, employee classification, labor relations, withholding, payment of wages and overtime, hours, vacation and paid time off, collective bargaining, harassment, workplace safety and insurance or pay equity, annual and casual leave, family and medical leave, and severance.

"Law" means any law, statute, ordinance, code, regulation, rule or other requirement of any Governmental Authority, including common law or any international treaties.

"Liability" means any liability, debt, obligation, loss, damage, claim, cost or expense (including costs of investigation and defense and attorney's fees, costs and expenses), in each case, whether direct or indirect and whether accrued or contingent.

"Lien" means any lien, mortgage, deed of trust, hypothecation, deed to secure debt, pledge, charge, security interest, right of first refusal, right of first offer, easement, restriction, covenant, condition, title defect, encroachment or other survey defect, option, lease, sublease, license, sublicense or other encumbrance.

"Losses" means any Liability, whether or not involving a third party claim, but solely to the extent incurred or accrued.

"Material Adverse Effect" means any effect, event, change, occurrence, circumstance, state of facts or development (each, an "Effect") that, individually or together with any one or more effects, events, changes, occurrences, circumstances, states of fact or developments, (i) has had or would be reasonably expected to have a material adverse effect on the assets, properties, liabilities, business, prospects, results of

operations or condition (financial or otherwise) of the Company or (ii) would prevent, materially delay or impede the performance by any Seller or the Company of its obligations hereunder or the consummation of the Contemplated Transactions; provided that with respect to clause (i), none of the following shall be taken into account in determining whether there has been a Material Adverse Effect: any adverse Effect attributable to: (a) conditions affecting the U.S. economy as a whole; (b) an earthquake, hurricane or tornado, or other natural disaster; (c) the announcement or pendency of the transactions contemplated by this Agreement; (d) general business or economic conditions affecting the industry in which the Business operates; (e) financial, banking, or securities markets (including any disruption thereof and any decline in the price of any security or any market index); (f) the taking of any action expressly required by this Agreement, other than Section 7.1; (g) any change in GAAP or other accounting requirements or principles or any change in applicable Laws or the material interpretation thereof after the date hereof; or (h) the commencement or escalation of a war, material armed hostilities or act of terrorism directly or indirectly involving the United States of America; provided further, in the case of any of the foregoing clauses (a), (b), (d), (e), (g) or (h) does not disproportionately affect the Company relative to other companies in the industry in which it operates.

"Maximum Earn-Out Amount" means an aggregate amount equal to $100,000,000.

"Multiemployer Plan" means any "multiemployer plan" as such term is defined in Section 3(37) or 4001(a)(3) of ERISA.

"Net Working Capital" means Current Assets, minus Current Liabilities, in each case, as of 5:00 p.m. local time in New York, New York on the day of the Closing, calculated in accordance with the Balance Sheet Rules, and determined without giving effect to the Contemplated Transactions,.

"Net Working Capital Adjustment" means (a) the amount by which Net Working Capital is less than the Target Net Working Capital Minimum (expressed as a negative number), if Net Working Capital is less than the Target Net Working Capital Minimum, or (b) the amount by which Net Working Capital is greater than the Target Net Working Capital Maximum (expressed as a positive number), if the Net Working Capital is greater than the Target Net Working Capital Maximum; provided that the Net Working Capital Adjustment shall disregard the effects from any breach of Section 5.10(a) or Section 7.1 relating thereto.

"Option" means (i) prior to the Reorganization, any option to purchase shares of common stock of the Company issued pursuant to the MVMT Watches Inc. 2016 Equity Incentive Plan and (ii) after the Reorganization, any option to purchase shares of common stock of the Company issued pursuant to the MVMT Watches Inc. 2016 Equity Incentive Plan that have been converted into options to purchase shares of Capital Stock of NewCo.

"Order" means any order, decision, judgment, writ, injunction, decree, award or other determination of any Governmental Authority.

"Organizational Document" means, with respect to any Person that is not a natural person, such Person's charter, certificate or articles of incorporation or formation, bylaws, memorandum and articles of association, operating agreement, limited liability company agreement, partnership agreement, limited partnership agreement, limited liability partnership agreement or other constituent or organizational documents of such Person.

"Owned Intellectual Property" means all Intellectual Property owned or purported to be owned by the Company.

"PBGC" means the U.S. Pension Benefit Guaranty Corporation.

"Per Interest Price" means the quotient of (i) the sum of (A) the Estimated Purchase Price and (B) the aggregate Exercise Price of all Vested Options and Unvested Options outstanding immediately before the Closing divided by (ii) the sum of (A) the aggregate number of shares of Capital Stock of the Company issued and outstanding immediately before such date, (B) the aggregate number of shares of Capital Stock of NewCo underlying Vested Options and Unvested Options and (C) the aggregate number of Effective Transaction Bonus Shares. If this calculation results in a Per Interest Price less than the Exercise Price of any of the Options, then the same calculation should be repeated but including only those Options with Exercise Prices greater than the Per Interest Price produced in the first calculation and the result of the second calculation shall be the Per Interest Price.

"Permits" means all permits, licenses, franchises, approvals, authorizations, consents, registrations, certificates, declarations, variances and similar rights obtained, or required to be obtained, from Governmental Authorities.

"Permitted Liens" means (a) Liens for current Taxes not yet due and payable or the amount or validity of which is being contested in good faith and for which appropriate reserves have been established on the Financial Statements in accordance with GAAP; (b) mechanics', carriers', workers', repairers' and similar liens arising or incurred in the ordinary course of business for amounts which are not delinquent or which are being contested in good faith and for which appropriate reserves have been established on the Financial Statements in accordance with GAAP; (c) zoning, entitlement, building and other land use Liens applicable to the Leased Properties which are not violated by the current use, occupancy or operation of the Leased Properties; (d) covenants, conditions, restrictions, easements and other non-monetary Liens affecting title to any Leased Property which do not and would not reasonably be expected to, individually or in the aggregate, materially impair the value, current use, occupancy or operation of such Leased Property; and (e) Liens arising in the ordinary course of business under worker's compensation, unemployment insurance, social security, retirement and similar Laws.

"Person" means any natural person, corporation, company, partnership, association, limited liability company, limited partnership, limited liability partnership, joint venture, business enterprise, trust or other legal entity, including any Governmental Authority.

"Personal Data" means an individual's name, street address, telephone number, e-mail address, photograph, image, voice, likeness, social media account identifier, social security number, tax identification number, driver's license number, government identification number, credit card number, payment account information, bank information, geolocation information, personal health data, biometric identifier or any other piece of information that, alone or in combination with other information, allows for the identification of or contact with an individual.

"Pre-Closing Tax Period" means any taxable period ending on or prior to the Closing Date and the portion of any Straddle Period ending on, and including, the Closing Date.

"Purchase Price" means the sum of the Initial Purchase Price plus any Earn-out Payments payable by Buyer pursuant to Section 2.7 hereof.

"R&W Insurance Policy" means a buyer-side representations and warranties insurance policy issued by the R&W Insurer for the benefit of the Buyer and any additional insureds named by Buyer with a retention amount of $1,000,000 and a coverage limit of $15,000,000.

"R&W Insurer" means Euclid Transactional, LLC.

"Related Party" means, when used to indicate a relationship with any Person, (a) any relative, spouse or family member of such Person, or any relative of such spouse (collectively, "Relatives"); (b) any Affiliate of such Person or such Person's Relatives; (c) any other Person in which such Person has an economic interest; (d) any trust or estate in which any of the foregoing has a beneficial interest or as to which any of the foregoing serves as trustee or in a similar fiduciary capacity; and (e) any director, officer, employee or holder of Capital Stock in a Person described in clause (b) or (c) of this definition and their respective Related Parties.

"Release" means any release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, dispersal, dumping, leaching or migration into or through the indoor or outdoor environment.

"Revenue" means the net revenue of the Company calculated in accordance with the principles set forth on Schedule 1.1(b).

"SEC" means the U.S. Securities and Exchange Commission.

"Seller Fundamental Representations" means the representations and warranties set forth in Sections 4.1 (Requisite Power & Due Authorization), 4.2(c) (No Conflict), 4.5 (Title to Capital Stock) and 4.6 (Brokers).

"Seller Parties" means, collectively, the Sellers, the holders of Options and the Transaction Bonus Recipients (each of them a "Seller Party").

"Sellers' Representative" means the Initial Representative or any successor representative of the Seller Parties appointed in accordance with the terms of this Agreement.

"Service Provider" means any current director, officer, employee, consultant or independent contractor of the Company.

"Straddle Period" means any taxable period that includes (but does not end on) the Closing Date.

"Subsidiary" means, with respect to any specified Person, any entity of which the specified Person (either alone or through or together with any other Subsidiary of such specified Person) directly or indirectly (a) owns, more than 50% of the economic rights or voting stock or other interests the holders of which are generally entitled to vote for the election of the board of directors or other applicable governing body of such entity or (b) controls the management.

"Target Net Working Capital Maximum" means (i) $9,200,000, if the Closing occurs on or prior to October 15, 2018, (ii) $9,810,000, if the Closing occurs between October 16, 2018 and October 23, 2018 and (iv) $10,420,000, if the Closing occurs between October 24, 2018 and November 1, 2018.

"Target Net Working Capital Minimum" means (i) $7,200,000, if the Closing occurs on or prior to October 15, 2018, (ii) $7,810,000, if the Closing occurs between October 16, 2018 and October 23, 2018 and (iv) $8,420,000, if the Closing occurs between October 24, 2018 and November 1, 2018.

"Tax" means (a) any taxes, levies, fees, imposts, duties, or similar charges (including any interest, fines, assessments, penalties or additions to tax imposed in connection therewith or with respect thereto) imposed by any Governmental Authority, including (i) taxes imposed on, or measured by, income, franchise, profits or gross receipts, (ii) ad valorem, value added, capital gains, sales, goods and services, use, real or personal property, escheat, capital stock, license, branch, payroll, estimated withholding, employment, social security (or similar), unemployment, compensation, utility, severance, production, excise, stamp, occupation, premium, windfall profits, transfer and gains taxes and (iii) customs duties; (b) any liability for the payment of any items described in clause (a) above as a result of (x) being (or ceasing to be) a member of an affiliated, consolidated, combined, unitary or aggregate group or (y) being included (or being required to be included) in any Tax Return related to such group; and (c) any liability for the payment of any amounts as a result of any express or implied obligation to indemnify any other Person, or any successor or transferee liability, in respect of any of the items described in clause (a) or (b) above.

"Tax Return" means any report, return, declaration, claim for refund, election, disclosure, estimate, information report or return or statement supplied or required to be supplied to a Governmental Authority in connection with Taxes, including any schedule or attachment thereto or amendment thereof.

"Third Party Claim" means any claim or demand for which an Indemnitor may be liable to an Indemnitee hereunder which is asserted by a third party.

"Transaction Bonus" means each change of control bonus, expressed as a phantom number of shares of Capital Stock of the Company (the "Effective Transaction Bonus Shares"), to be paid in cash to those persons set forth on the Closing Spreadsheet pursuant to Section 2.6(e).

"Transaction Bonus Recipient" means each recipient of a Transaction Bonus.

"Transaction Documents" means this Agreement and the Escrow Agreement.

"Transaction Expenses" means any fees, costs and expenses incurred or subject to reimbursement by the Company, in each case, in connection with the Contemplated Transactions (whether incurred prior to or after the date hereof) including: (a) any brokerage, finders' or other advisory fees, costs, expenses, commissions or similar payments; (b) any fees, costs and expenses of counsel, accountants or other advisors or service providers; (c) any fees, costs and expenses or payments of the Company or any of its Affiliates related to any transaction bonus, discretionary bonus, change-of-control payment, phantom equity payout, retention, other compensatory payments or severance made to any Service Provider as a result of the execution of any Transaction Document or in connection with the Contemplated Transactions (including the Transaction Bonuses); (d) any other fees, costs, expenses or payments resulting from any third-party consent obtained prior to Closing in connection with the Contemplated Transactions; (e) any employment Taxes relating to any of the foregoing (solely to the extent arising in connection with payments made at or prior to Closing); (f) any employment Taxes relating to any payments to holders of Options or Transaction Bonus Recipients made as part of the Initial Purchase Price; and (g) 100% of the premium, underwriting fee, surplus lines taxes and fees and other costs for the R&W Insurance Policy obtained by the Buyer. Notwithstanding the foregoing, Transaction Expenses shall not include (x) any amounts to the extent such amounts are either (i) included as Closing Indebtedness or Current Liabilities in the calculation of the Net Working Capital Adjustment hereunder, or (ii) deducted and paid to the Buyer from the First Escrow Amount or the Second Escrow Amount, or (y) any fees, expenses and other costs incurred prior to or following the Closing in furtherance of terminating, modifying or settling any Contracts that remain outstanding as of the Closing.

"Transaction Percentage" means, with respect to each Seller, holder of Options and Transaction Bonus Recipient, the percentage designated as "Transaction Percentage" and set forth opposite such Person's name on the Closing Spreadsheet, which shall initially be equal to the percentage of the Initial Purchase Price that such Person is entitled to pursuant to the terms hereof and thereafter adjusted from time to time, as necessary, pursuant to each of Section 2.6(a), Section 2.6(b), Section 2.6(c) and Section 2.6(e); provided, that at all times the aggregate Transaction Percentages shall equal 100%.

"Treasury Regulations" means the Treasury regulations promulgated under the Code.

"Unvested Options" means any Options that are outstanding and unvested as of immediately prior to the Closing, after taking into account any acceleration of vesting that is to occur with respect to such Option at or prior to the Closing.

"Vested Options" means Options that are outstanding and vested as of immediately prior to the Closing, after taking into account any acceleration of vesting that is to occur with respect to such Option at or prior to the Closing.

"WARN Act" means the Worker Adjustment and Retraining Notification Act (29 USC § 2101 *et seq*.), and any similar state, local, or non-U.S. Law or Order.

"Willful Breach" means an action or failure to act by one of the parties hereto that constitutes a material breach of this Agreement that was taken with the intention that such action or failure to act would constitute a material breach of this Agreement, and such breach primarily resulted in the failure of any of the conditions set forth in Article IX or Article X to be satisfied.

Section 1.2 Other Capitalized Terms. The following terms shall have the meanings specified in the indicated section of this Agreement.

Term	Section
Accounting Firm	2.4(b)
Adjustment Escrow Account	2.5(a)
Adjustment Escrow Amount	2.2(a)
Advisory Group	13.5(a)
Agreement	Preamble
Audited Balance Sheet	5.8(a)
Audited Financial Statements	5.8(a)
Auditors	7.9(a)(iii)
Base Purchase Price	2.2(a)
Buyer	Preamble
Buyer Adjustment Amount	2.4(d)(ii)
Buyer Indemnitees	12.3
Buyer Released Parties	7.15
Change of Control	2.7(g)
Claim Dispute Notice	12.13(b)
Claims Notice	12.7(b)
Closing	3.1
Closing Date	3.1
Closing Statement	2.4(a)
Closing Transaction Expenses	2.2(b)
Company	Preamble
Company Intellectual Property	5.14(a)
Company Licenses	5.21(c)
Company Protected Group	7.6(c)
Company Shareholder	Preamble
Confidentiality Agreement	0
Contest	8.2(a)
D&O Indemnified Person	7.16(a)
D&O Indemnified Persons	7.16(a)
D&O Insurance	7.16(b)
Deal Communications	14.14(c)
Debt Payoff Letter	7.3
Dispute	2.4(b)
Earn-Out Dispute	2.7(b)
Earn-Out Notice of Disagreement	2.7(b)
Earn-Out Review Period	2.7(b)
Employee Agreements	Recitals
Escrow Accounts	2.5(a)
Estimated Adjustment Amount	2.2(b)
Estimated Purchase Price	2.2(a)
Excluded Third Party Claim	12.7(d)
Expense Fund	13.6(a)
Expense Fund Amount	2.2(a)
Final Adjustment Amount	2.4(d)
Final Earn-Out Determination Date	2.7(c)

Term	Section
Final Earn-Out Statement	2.7(c)
Financial Statements	5.8(a)
First Escrow Account	2.5(a)
First Escrow Amount	2.2(a)
Founder	Preamble
Founder Protected Group	7.6(c)
Founder Provisions	Preamble
Founder Releasing Parties	7.15
Founders	Preamble
Funded Indebtedness	2.3
Group	2.7(g)
Indemnitees	12.5
Indemnity Escrow Account	2.5(a)
Indemnity Escrow Amount	2.2(a)
Initial Purchase Price	2.2(a)
Initial Representative	Preamble
Interests	Recitals
Interim Balance Sheet	5.8(a)
Interim Balance Sheet Date	5.8(a)
Interim Financial Statements	5.8(a)
Kassan	Preamble
Kassan Annuity Trust	Preamble
Kassan Revocable Trust	Preamble
LaPlante	Preamble
LaPlante Annuity Trust	Preamble
LaPlante Revocable Trust	Preamble
Lease	5.15(b)
Leased Properties	5.15(b)
Leased Property	5.15(b)
Leases	5.15(b)
Licensed Intellectual Property	5.14(a)
Material Contracts	5.12(a)
NewCo	Preamble
Non-Party Affiliates	14.11
Objections Statement	2.4(b)
Pay-Off Lender	2.3
Pay-Off Letters	2.3
Physical Inventory	7.4
Pre-Closing Statement	2.2(b)
Privileged Deal Communications	14.14(c)
Proposed Allocation	2.9(a)
Proposed Earn-Out Statement	2.7(a)
R&W Insurance Deductible	12.6(a)
Release Date	12.1
Released Claims	7.15

Term	Section
Reorganization	Recitals
Required Financial Statements	7.9(a)(i)
Reserved Amount	12.13(a)
Restricted Period	7.6(a)
Restrictive Covenants	7.6(d)
S Corporation	5.11(n)
S-Corporation Election	8.1(a)(v)
Second Escrow Account	2.5(a)
Second Escrow Amount	2.2(a)
Seller Indemnitees	12.5
Sellers	Preamble
Sellers Adjustment Amount	2.4(d)(i)
Sellers' Representative Engagement Agreement	13.5(a)
Sellers' Representative Expenses	13.5(b)
Sellers' Representative Group	13.5(a)
Tangible Property	5.16
Tax Sharing Agreements	5.11(h)
Termination Date	11.1(d)
Unvested Options Cash	2.6(c)
Vesting Acceleration Schedule	2.6(c)

Section 1.3 Interpretive Provisions. Unless the express context otherwise requires:

(a) the words "hereof," "herein" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement;

(b) words defined in the singular shall have a comparable meaning when used in the plural, and vice versa;

(c) the words "Dollars" and "$" mean U.S. dollars;

(d) references herein to a specific Section, Subsection, Recital, Schedule or Exhibit shall refer, respectively, to Sections, Subsections, Recitals, Schedules or Exhibits of this Agreement;

(e) wherever the word "include," "includes" or "including" is used in this Agreement, it shall be deemed to be followed by the words "without limitation";

(f) wherever the words "ordinary course of business" are used in this Agreement, they shall be deemed to be followed by the words "consistent with past practice";

(g) references herein to any gender shall include each other gender;

(h) references herein to accounting terms used but not otherwise defined herein shall have the meanings given to them under GAAP;

(i) references herein to any Person shall include such Person's heirs, executors, personal representatives, administrators, successors and assigns; provided, however, that nothing contained in this clause (h) is intended to authorize any assignment or transfer not otherwise permitted by this Agreement;

(j) references herein to a Person in a particular capacity or capacities shall exclude such Person in any other capacity;

(k) with respect to the determination of any period of time, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding";

(l) the word "or" shall be disjunctive but not exclusive;

(m) references herein to any Law shall be deemed to refer to such Law as amended, reenacted, supplemented or superseded in whole or in part and in effect from time to time and also to all rules and regulations promulgated thereunder;

(n) references herein to any Contract mean such Contract as amended, supplemented or modified (including any waiver thereto) in accordance with the terms thereof, except that with respect to any Contract listed on any schedule hereto, all such amendments, supplements or modifications must also be listed on such schedule;

(o) the headings contained in this Agreement are intended solely for convenience and shall not affect the rights of the parties to this Agreement;

(p) if the last day for the giving of any notice or the performance of any act required or permitted under this Agreement is a day that is not a Business Day, then the time for the giving of such notice or the performance of such action shall be extended to the next succeeding Business Day;

(q) the term "made available" (or terms with similar import) shall mean posted and made available to the Buyer in the electronic data room administered by Donnelley Financial Solutions on behalf of the Company in connection with the Contemplated Transactions at least three (3) Business Days prior to the date of this Agreement.

ARTICLE II

PURCHASE AND SALE OF INTERESTS

Section 2.1 Purchase and Sale of the Interests. Upon the terms and subject to the conditions set forth in this Agreement, NewCo shall sell, assign, transfer and convey to the Buyer, free and clear of any Liens, and the Buyer shall purchase and acquire from NewCo, all of the Interests owned by NewCo in exchange for payment to (x) NewCo (for further distribution to the other Sellers), (y) the Company (for further distribution to the holders of Options and Transaction Bonus Recipients who are current

or former employees of the Company, through the Company's normal payroll procedures), and (z) holders of Options and Transaction Bonus Recipients who are not current or former employees of the Company, of (a) the Estimated Purchase Price and (b) any amounts payable to the Seller Parties pursuant to Section 2.4(d), Section 2.7, Section 12.13, Section 12.14 and Section 12.15, respectively (in the case of this clause (b) if, as and when payable pursuant to Section 2.4(d), Section 2.7, Section 12.13, Section 12.14 and Section 12.15, respectively), minus any amounts owed by NewCo pursuant to Section 2.4(d), in each case, in accordance with their respective Transaction Percentages and the provisions of this Article II. Notwithstanding anything to the contrary herein, the Parties acknowledge and agree that the Buyer and each of its Affiliates shall be entitled to rely on the Closing Spreadsheet as setting forth a true, correct and complete listing of the Transaction Percentages and the related calculations set forth therein (subject to the automatic adjustments as set forth therein), and none of the Buyer, the Company or any of their respective Affiliates shall have any liability or obligation to any Person, including the Sellers, for any liabilities arising from or relating to errors, omissions or inaccuracies by the Company in calculating the Transaction Percentages or any other errors, omissions or inaccuracies in the Closing Spreadsheet.

Section 2.2 Calculation of Purchase Price

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(a) Estimated Purchase Price. The term "Estimated Purchase Price" means the amount resulting from: (i) $100,000,000 (the "Base Purchase Price"), minus (ii) $500,000 (the "Indemnity Escrow Amount"), minus (iii) $1,000,000 (the "Adjustment Escrow Amount"), minus (iv) $5,000,000 (the "Second Escrow Amount"), minus $1,500,000 (the "First Escrow Amount") minus (v) $200,000 (the "Expense Fund Amount") plus (vi) the Estimated Adjustment Amount (if the Estimated Adjustment Amount is a positive number), minus (vii) the absolute value of the Estimated Adjustment Amount (if the Estimated Adjustment Amount is a negative number). The Estimated Purchase Price shall be subject to adjustment following the Closing pursuant to Section 2.4 (as so adjusted, the "Initial Purchase Price").

(b) Pre-Closing Statement; Closing Spreadsheet and Transaction Expenses. Not fewer than five Business Days prior to the anticipated Closing Date, (i) the Sellers shall deliver, or cause to be delivered, to the Buyer (A) a statement (the "Pre-Closing Statement") setting forth the Sellers' good faith estimates of (1) Closing Indebtedness, (2) Transaction Expenses, (3) Net Working Capital, (4) Closing Cash, and (5) the Adjustment Amount, in each case determined in accordance with the Balance Sheet Rules (clause (5) being the "Estimated Adjustment Amount"), together with supporting documentation for such estimates and any additional information reasonably requested by the Buyer, and (B) the Closing Spreadsheet, and (ii) NewCo shall deliver, or cause to be delivered, to the Buyer final invoices with respect to all Transaction Expenses to be paid by or on behalf of the Company at the Closing (the "Closing Transaction Expenses"). The Pre-Closing Statement and the Closing Spreadsheet shall be prepared in consultation with the Buyer and Sellers shall consider any comments reasonably made by the Buyer in good faith.

Section 2.3 Payment of Funded Indebtedness. No fewer than five Business Days prior to the anticipated Closing Date, Sellers shall deliver, or cause to be delivered, to the Buyer: (a) a statement setting forth the Sellers' good faith estimate of all Closing Indebtedness pursuant to the instruments listed on Schedule 2.3 (the "Funded Indebtedness") as of the anticipated Closing Date, including the names of each Person to which such Funded Indebtedness is owed (each, a "Pay-Off Lender") and the amounts owed to each Pay-Off Lender; and (b) pay-off letters in form and substance reasonably satisfactory to the Buyer to be executed at the Closing by all Pay-Off Lenders (the "Pay-Off Letters"). The Buyer, the Sellers and the Company shall cooperate in arranging for the repayment by the Company of all Funded Indebtedness at the Closing. The Company shall facilitate such repayment and the release, in connection with such repayment, of any Liens securing such Funded Indebtedness.

Section 2.4 Purchase Price Adjustment.

(a) Closing Statement. Within 90 days following the Closing Date, the Buyer shall prepare and deliver to the Sellers' Representative a certificate executed by an executive officer of the Buyer (the "Closing Statement") setting forth the Buyer's determination of (i) Closing Indebtedness, (ii) Transaction Expenses, (iii) Net Working Capital, (iv) Closing Cash, and (iv) the Adjustment Amount, in each case determined in accordance with the Balance Sheet Rules. Following delivery of the Closing Statement, the Buyer shall provide the Sellers' Representative with supporting documentation for the Closing Statement that the Sellers' Representative may reasonably request and shall provide Sellers' Representative with reasonable access and upon reasonable advance notice to books, records and employees of the Company as requested by the Sellers' Representative, insofar as those books, records and employees relate solely to the preparation of the Closing Statement and provided that such access and cooperation shall be in a manner that does not unreasonably interfere with the Company's normal business operations.

(b) Dispute Resolution. Within 30 days after the Sellers' Representative's receipt of the Closing Statement, the Sellers' Representative shall deliver to the Buyer a written statement either accepting the Closing Statement or specifying any objections thereto in reasonable detail (an "Objections Statement"), which objections shall be limited to mathematical errors and calculations of amounts not in accordance with the Balance Sheet Rules and/or the applicable definition set forth therein. If the Sellers' Representative does not deliver an Objections Statement within such 30-day period, then the Closing Statement shall become final and binding upon all parties. If the Sellers' Representative delivers an Objections Statement within such 30-day period, then the Sellers' Representative and the Buyer shall negotiate in good faith for 15 days following the Buyer's receipt of such Objections Statement to resolve such objections. Any such objections that the Buyer and the Sellers' Representative are unable to resolve during such 15-day period is referred to as a "Dispute". After such 15-day period, any matter set forth in the Closing Statement that is not a Dispute shall become final and binding upon all parties. If the Buyer and the Sellers' Representative are unable to resolve all objections during such 15-day period, then any Disputes, and only such Disputes, shall be resolved by a mutually agreeable independent accounting firm of recognized national standing, which firm is not the regular auditing firm of the

Buyer, the Sellers or the Company (the "Accounting Firm"). The Accounting Firm shall be instructed to resolve any Disputes in accordance with the terms of this Agreement within 30 days after its appointment. The resolution of such Disputes by the Accounting Firm (i) shall be set forth in writing; (ii) shall be within the range of maximum and minimum amounts in dispute between the Buyer and the Sellers' Representative; (iii) shall constitute an arbitral award; and (iv) shall be conclusive and binding upon all the parties upon which a judgment may be rendered by a court having proper jurisdiction thereover. Upon delivery of such resolution, the Closing Statement, as modified in accordance with such resolution, shall become final and binding upon all parties.

(c) Accounting Firm Expenses. The fees, costs and expenses of the Accounting Firm shall be allocated between the Buyer, on the one hand, and the Sellers' Representative (on behalf of the Sellers), on the other hand, based upon the percentage which the portion of the Disputes not awarded to each party bears to the amount actually contested by such party. For example, if the Sellers' Representative claims that the appropriate adjustments are $1,000 greater than the amount determined by the Buyer and if the Accounting Firm ultimately resolves the Dispute by awarding to the Sellers $300 of the $1,000 contested, then the fees, costs and expenses of the Accounting Firm will be allocated 30% (i.e., 300 ÷ 1,000) to the Buyer and 70% (i.e., 700 ÷ 1,000) to the Sellers' Representative. Each of Buyer and Sellers' Representative (on behalf of the Seller Parties) shall bear the fees, costs and expenses of its own accountants and all other expenses incurred in connection with matters contemplated by this Section 2.4(c).

(d) Final Adjustment Amount. As used herein, "Final Adjustment Amount" means (i) if the Sellers' Representative fails to deliver an Objections Statement in accordance with Section 2.4(b), the Adjustment Amount as set forth in the Closing Statement or (ii) if the Adjustment Amount is resolved by the Buyer and the Sellers' Representative or by submission of any Disputes to the Accounting Firm, as contemplated by Section 2.4(b), the Adjustment Amount as so resolved. If the Final Adjustment Amount is:

(i) greater than the Estimated Adjustment Amount, thus resulting in an Initial Purchase Price which is greater than the Estimated Purchase Price (any such excess, the "Sellers Adjustment Amount"), then promptly (but in any event within five Business Days following the determination of the Final Adjustment Amount): (A) the Buyer and the Sellers' Representative shall deliver to the Escrow Agent a joint release notice directing the Escrow Agent to release to (x) NewCo (for further distribution to the other Sellers in accordance with their respective Transaction Percentages) the product of the funds from the Adjustment Escrow Account multiplied by the Transaction Percentages of such Persons, (y) the Company (for further distribution to the holders of Options and Transaction Bonus Recipients who are current or former employees of the Company, through the Company's normal payroll procedures, in accordance with their respective Transaction Percentages) the product of the funds from the Adjustment Escrow Amount multiplied by the Transaction Percentages of such Persons, and (z) holders of Options and Transaction Bonus Recipients who are not current or former employees of the Company, in accordance with their respective Transaction Percentages, in each case, by wire transfer of immediately available funds to an account or accounts designated by

NewCo, Sellers' Representative or the Company, as applicable, in writing; and (B) the Buyer shall deliver to (x) NewCo (for further distribution to the Sellers in accordance with their respective Transaction Percentages) the product of (1) the lesser of (a) the Sellers Adjustment Amount and (b) $1,000,000, multiplied by (2) the Transaction Percentages of such Sellers and (y) the Company (for further distribution to the holders of Options and Transaction Bonus Recipients who are current or former employees of the Company, through the Company's normal payroll procedure, in accordance with their respective Transaction Percentages), the product of (1) the lesser of (a) Sellers Adjustment Amount and (b) $1,000,000, multiplied by (2) the Transaction Percentages of such Person, and (z) holders of Options and Transaction Bonus Recipients who are not current or former employees of the Company, in accordance with their respective Transaction Percentages, the product of (1) the lesser of (a) Sellers Adjustment Amount and (b) $1,000,000, multiplied by (2) the Transaction Percentages of such Persons, in each case, by wire transfer of immediately available funds to an account or accounts designated by NewCo, the Sellers' Representative or the Company, as applicable, in writing.

(ii) less than the Estimated Adjustment Amount, thus resulting in an Initial Purchase Price which is less than the Estimated Purchase Price (any such shortfall, the "Buyer Adjustment Amount"), then promptly (but in any event within five Business Days following the determination of the Final Adjustment Amount), the Buyer and the Sellers' Representative shall deliver to the Escrow Agent a joint release notice directing the Escrow Agent to release to the Buyer an amount equal to the lesser of the amount in the Adjustment Escrow Account and the Buyer Adjustment Amount; provided that if the amount then held in the Adjustment Escrow Account exceeds the Buyer Adjustment Amount, such joint release notice shall also direct the Escrow Agent to release to (x) NewCo (for further distribution to the other Sellers in accordance with their respective Transaction Percentages), the product of the amount of such excess multiplied by the Transaction Percentages of such Persons, (y) the Company (for further distribution to the holders of Options and Transaction Bonus Recipients who are current or former employees of the Company, through the Company's normal payroll procedures, in accordance with their respective Transaction Percentages) the product of the funds from the Adjustment Escrow Amount multiplied by the Transaction Percentages of such Persons, and (z) holders of Options and Transaction Bonus Recipients who are not current or former employees of the Company, in accordance with their respective Transaction Percentages, the product of the funds from the Adjustment Escrow Amount multiplied by the Transaction Percentages of such Persons, in each case, to an account or accounts designated by NewCo, the Sellers' Representative or the Company, as applicable, in writing. In no instance shall Buyer be entitled to receive any amounts in respect of a Buyer Adjustment Amount in excess of the Adjustment Escrow Amount pursuant to this Section 2.4(d)(ii). All such payments required to be made pursuant to this Section 2.4(d)(ii) shall be made promptly by wire transfer of immediately available funds to an account or accounts designated by NewCo, the Buyer, the Sellers' Representative, or the Company, as applicable, in writing; or

(iii) equal to the Estimated Adjustment Amount, then the Buyer and the Sellers' Representative shall promptly (but in any event within five Business Days following the determination of the Final Adjustment Amount) deliver to the Escrow Agent a joint release notice directing the Escrow Agent to release to (x) NewCo (for further distribution to the other Sellers, in accordance with their respective Transaction Percentages) the product of the amount then held in the Adjustment Escrow Account multiplied by the Transaction Percentages of such Persons, (y) the Company (for further distribution to the holders of Options and Transaction Bonus Recipients who are current or former employees of the Company, through the Company's normal payroll procedures, in accordance with their respective Transaction Percentages) the product of the amount then held in the Adjustment Escrow Account multiplied by the Transaction Percentages of such Persons, and (z) holders of Options and Transaction Bonus Recipients who are not current or former employees of the Company, in accordance with their respective Transaction Percentages, the product of the amount then held in the Adjustment Escrow Account multiplied by the Transaction Percentages of such Persons, in each case to an account or accounts designated by NewCo, the Sellers' Representative, or the Company, as applicable.

All payments made pursuant to this Section 2.4 shall be treated by all parties for tax purposes as adjustments to the Purchase Price.

Section 2.5 Escrow Account.

(a) At the Closing, the Buyer shall deposit, or shall cause to be deposited, with the Escrow Agent (i) cash in the amount of the Adjustment Escrow Amount by wire transfer of immediately available funds to an account designated in writing by the Escrow Agent no fewer than two Business Days prior to the Closing Date (the "Adjustment Escrow Account"), (ii) cash in the amount of the Indemnity Escrow Amount by wire transfer of immediately available funds to an account designated in writing by the Escrow Agent no fewer than two Business Days prior to the Closing Date (the "Indemnity Escrow Account"), (iii) cash in the amount of the Second Escrow Amount by wire transfer of immediately available funds to an account designated in writing by the Escrow Agent no fewer than two Business Days prior to the Closing Date (the "Second Escrow Account") and (iv) cash in the amount of the First Escrow Amount by wire transfer of immediately available funds to an account designated in writing by the Escrow Agent no fewer than two Business Days prior to the Closing Date (the "First Escrow Account" and, together with the Adjustment Escrow Account, the Indemnity Escrow Account and the Second Escrow Account, the "Escrow Accounts"). The Escrow Accounts shall be used exclusively in accordance with the terms of the Escrow Agreement and the applicable provisions of this Agreement.

(b) In the event of a conflict between the Escrow Agreement and this Agreement, the terms of this Agreement shall govern.

Section 2.6 Treatment of Options; Transaction Bonuses.

(a) As of the Closing, each Vested Option that is issued, outstanding and unexercised immediately prior to the Closing shall be cancelled by the Company without any future Liability to the Buyer, the Company or any other Person after the Closing, and upon the cancellation thereof and execution by the holder of such Option of an option cancellation agreement (an "Option Cancellation Agreement"), in each case in a form reasonably acceptable to Buyer, such Vested Option shall be converted into the right to receive, for each share of Capital Stock of NewCo underlying such Vested Option that is vested, subject in all respects to Section 2.4(d), and payable by the Company thorough its normal payroll procedures (A) an amount in cash for each share of Capital Stock of NewCo issuable under such Vested Option, without interest, equal to: (i) the Per Interest Price; less (ii) the applicable exercise price for each share of Capital Stock of NewCo vested under such Vested Option, net of applicable Tax withholding, (B) any cash disbursements required to be made from the Escrow Accounts with respect to such Vested Option to the former holder thereof in accordance with terms of the Escrow Agreement and Section 2.5 and from the Expense Fund in accordance with the terms of Section 13.6 and (C) any cash disbursements required to be made as Earn-Out Payments with respect to such Vested Option to the former holder thereof in accordance with the terms of Section 2.7; provided, however, with respect to this clause (C), payment shall be made only to the extent and at the times provided in Section 2.7 hereof if (i) such former holder of a Vested Option remains employed by the Company or an Affiliate thereof as of the end of the applicable Earn-Out Period, or (ii) prior to the end of the applicable Earn-Out Period, such former holder is involuntarily terminated without Cause or such Person voluntarily resigns with Good Reason. With respect to any Earn-Out Payments with respect to such Vested Option due to the former holder thereof in accordance with the terms of Section 2.7, such payments shall be forfeited by such Person if, prior to the end of the applicable Earn-Out Period, such Person's employment with the Company or an Affiliate of the Company is involuntarily terminated for Cause or such Person voluntarily resigns without Good Reason (as such terms are defined in the Option Cancellation Agreement), and such forfeited payment amount shall be distributed pro rata amongst the other Seller Parties based upon their respective Transaction Percentages, with such Transaction Percentages calculated on a pro forma basis without taking into account the Transaction Percentage otherwise attributable to such payments. After the Closing, each holder of Vested Options will only be entitled to the payments described in this Section 2.6(a).

(b) As of the Closing, each Unvested Option held by a Continuing Employee that is issued, outstanding and unexercised immediately prior to the Closing shall be cancelled by the Company without any future Liability to the Buyer, the Company or any other Person after the Closing, and upon the cancellation thereof and execution by the holder of such Option of an Option Cancellation Agreement, in each case in a form reasonably acceptable to Buyer, such Unvested Option shall be converted into the right to receive, for each share of Capital Stock of NewCo underlying such Unvested Option, subject in all respects to Section 2.4(d), and payable by the Company thorough its normal payroll procedures (A) an amount in cash for each share of Capital Stock of NewCo issuable under such Unvested Option, without interest, equal to: (i) the

Per Interest Price; less (ii) the applicable exercise price for each share of Capital Stock of NewCo vested under such Unvested Option, net of applicable Tax withholding, (B) any cash disbursements required to be made from the Escrow Accounts with respect to such Vested Option to the former holder thereof in accordance with terms of the Escrow Agreement and Section 2.5 from the Expense Fund in accordance with the terms of Section 13.6 and (C) any cash disbursements required to be made as Earn-Out Payments with respect to such Unvested Option to the former holder thereof in accordance with the terms of Section 2.7; provided, however, with respect to this clause (C), payment shall be made only to the extent and at the times provided in Section 2.7 hereof if (i) such former holder of an Unvested Option remains employed by the Company or an Affiliate thereof as of the end of the applicable Earn-Out Period, or (ii) prior to the end of the applicable Earn-Out Period, such former holder is involuntarily terminated without Cause or such Person voluntarily resigns with Good Reason. After the Closing, each holder of Unvested Options will only be entitled to the payments described in this Section 2.6(b).

(c) Notwithstanding the foregoing, the payout of cash pursuant to Section 2.6(b) in exchange for the cancellation of Unvested Options issued and outstanding immediately prior to the Closing shall be subject to the same vesting schedule that was applicable to such Unvested Option immediately prior to or at the Closing (and no vesting acceleration shall occur by reason of the Closing or any subsequent event, such as termination of employment, other than as provided on Schedule 2.6(b) (the "Vesting Acceleration Schedule"). In furtherance of the foregoing, cash otherwise payable pursuant to Section 2.6(b) in exchange for the cancellation of the Unvested Options issued and outstanding immediately prior to the Closing ("Unvested Options Cash") shall not automatically be payable by Buyer at the Closing, and shall instead become payable by Buyer on the later of (x) the date such payment is otherwise payable by Buyer to the other Seller Parties under this Agreement, and (y) the date that such Unvested Options would have become vested under the vesting schedule in place for such shares immediately prior to or at the Closing (subject to the restrictions and other terms of such vesting schedule). Buyer may in its discretion make all such required payments of Unvested Options Cash no later than the 15th day of the calendar month immediately following the calendar month in which such Unvested Options Cash would have become vested under the original vesting schedule. All amounts payable pursuant to Section 2.6(b) and this Section 2.6(c) shall be paid without interest; provided, that a portion of such cash so distributed will be treated as imputed interest to the extent required under the Code and the Treasury Regulations. No Unvested Options Cash, or right thereto, may be pledged, encumbered, sold, assigned or transferred (including any transfer by operation of law), by any Person, other than Buyer, or be taken or reached by any legal or equitable process in satisfaction of any Liability of such Person, prior to the distribution to such Person of such Unvested Options Cash in accordance with this Agreement. With respect to (i) any Unvested Options Cash otherwise payable in respect of Unvested Options pursuant to this Section 2.6(c), (ii) any Earn-Out Payments with respect to such Unvested Option to the former holder thereof in accordance with the terms of Section 2.7 and (iii) any payments from Escrow Accounts or the Expense Fund pursuant to the terms of this Agreement, such payments shall be forfeited by a holder of Unvested Options who, prior to the date such payments are otherwise payable hereunder, is involuntarily terminated for Cause or voluntarily resigns without Good Reason (as such

terms are defined in the Option Cancellation Agreement), and such forfeited payment amount shall be distributed pro rata amongst the other Seller Parties based upon their respective Transaction Percentages, with such Transaction Percentages calculated on a pro forma basis without taking into account the Transaction Percentage otherwise attributable to such payments.

(d) Each Unvested Option outstanding as of immediately prior to the Closing that is not held by a Continuing Employee shall be cancelled and terminated as of the Closing for no consideration.

(e) As of the Closing, upon the execution by the applicable Transaction Bonus Recipient of a Transaction Bonus acknowledgment and release agreement (a "Transaction Bonus Agreement"), in a form reasonably acceptable to Buyer, Buyer shall pay or cause to be paid, by wire transfer of immediately available funds, all Transaction Bonuses in those amounts set forth on the Closing Spreadsheet to the Transaction Bonus Recipients set forth on the Closing Spreadsheet. Each Transaction Bonus Recipient shall also be entitled to receive, in respect of each Transaction Bonus owed to such Transaction Bonus Recipient, (A) any cash disbursements required to be made from the Escrow Accounts with respect to such Transaction Bonuses to the former holder thereof in accordance in accordance with terms of the Escrow Agreement and Section 2.5 and (B) any cash disbursements required to be made as Earn-Out Payments with respect to such Transaction Bonuses to the former holder thereof in accordance with the terms of Section 2.7 and from the Expense Fund in accordance with the terms of Section 13.6; provided, however, with respect to this clause (B), payment shall be made only to the extent and at the times provided in Section 2.7 hereof if (i) such Transaction Bonus Recipient remains employed by the Company or an Affiliate thereof as of the end of the applicable Earn-Out Period, or (ii) prior to the end of the applicable Earn-Out Period, such Transaction Bonus Recipient is involuntarily terminated without Cause or such Person voluntarily resigns with Good Reason. With respect to any Earn-Out Payments with respect to such Transaction Bonuses payable to a Transaction Bonus Recipient in accordance with the terms of Section 2.7, such payments shall be forfeited by a Transaction Bonus Recipient if, prior to the end of the applicable Earn-Out Period, such Person's employment with the Company or an Affiliate of the Company is involuntarily terminated for Cause or such Person voluntarily resigns without Good Reason (as such terms are defined in the Transaction Bonus Agreement), and such forfeited payment amount shall be distributed pro rata amongst the other Seller Parties based upon their respective Transaction Percentages, with such Transaction Percentages calculated on a pro forma basis without taking into account the Transaction Percentage otherwise attributable to such payments.

Section 2.7 Earn-Out Payments.

(a) Proposed Earn-Out Statement. As consideration in addition to the Initial Purchase Price, following each Earn-Out Period, as promptly as practicable, but not later than 30 days after the receipt of the audited financial statements for the second fiscal year included in such Earn-Out Period, the Buyer shall deliver to the Sellers' Representative a written statement (each, a "Proposed Earn-Out Statement")

setting forth the Buyer's determination of (i) the Average Revenue and (ii) the Average EBITDA for such Earn-Out Period, and based on such calculations, the Buyer's proposed calculation of the Earn-Out Payment for such Earn-Out Period. Following delivery of a Proposed Earn-Out Statement, the Buyer shall provide the Sellers' Representative with supporting documentation for such Proposed Earn-Out Statement that the Sellers' Representative may reasonably request, insofar as the requested information relates to the preparation of the Earn-Out Statement and provided that such access and cooperation shall be in a manner that does not unreasonably interfere with the Company's normal business operations. The Average Revenue, Average EBITDA and Earn-Out Payment for each Earn-Out Period, as finally determined pursuant to a Final Earnout Statement in accordance with this Section 2.7, shall be deemed to be the final and binding calculations of the Average Revenue, Average Brand EBITDA and Earn-Out Payment, respectively, for such Earn-Out Period for all purposes of this Agreement.

(b) Earn-Out Dispute Resolution. Within 30 days after the Sellers' Representative's receipt of a Proposed Earn-Out Statement (the "Earn-Out Review Period"), the Sellers' Representative shall deliver to the Buyer a written statement either accepting such Proposed Earn-Out Statement or specifying any objections thereto in reasonable detail (an "Earn-Out Notice of Disagreement"), which objections shall be limited to (i) the failure of the calculations set forth on the applicable Proposed Earn-Out Statement to be prepared in a manner consistent with the applicable defined terms of Earn-Out Payment, Average Revenue or Average EBITDA, (ii) factual, accounting or mathematical inaccuracies or errors in the computation of any amount set forth on the applicable Proposed Earn-Out Statement and/or (iii) a breach of Section 2.7(f) or Section 2.7(g). If the Sellers' Representative does not deliver an Earn-Out Notice of Disagreement within such 30-day period, then the Proposed Earn-Out Statement shall become final and binding upon all parties. If the Sellers' Representative delivers an Earn-Out Notice of Disagreement within such 30-day period, then the Sellers' Representative and the Buyer shall negotiate in good faith for 15 days following the Buyer's receipt of such Earn-Out Notice of Disagreement to resolve such objections. Any such objections that the Buyer and the Sellers' Representative are unable to resolve during such 15-day period is referred to as a "Earn-Out Dispute". During such period, the Buyer and the Sellers' Representative and their respective agents shall each have reasonable access to the other party's working papers, trial balances and similar materials prepared in connection with the other party's preparation of the applicable Proposed Earn-Out Statement and the applicable Earn-Out Notice of Disagreement, as the case may be, in addition to any other documentation reasonably requested, and Buyer shall make available during normal working hours upon reasonable prior notice a designee of Buyer knowledgeable about the information used in, and the preparation of, the Proposed Earn-Out Statement; provided, that such access will be subject to the execution of any applicable customary access letters required by accountants. After such 15-day period, any matter set forth in the Proposed Earn-Out Statement that is not an Earn-Out Dispute shall become final and binding upon all parties. If the Buyer and the Sellers' Representative are unable to resolve all objections during such 15-day period, then any Earn-Out Disputes, and only such Earn-Out Disputes, shall be resolved by the Accounting Firm. The Accounting Firm shall be instructed to resolve any Earn-Out Disputes in accordance with the terms of this Agreement within 30 days after its appointment. The resolution of such Earn-Out Disputes by the Accounting Firm (i) shall be set forth in writing; (ii) shall be within the minimum and maximum range of dispute

between the Buyer and the Sellers' Representative; (iii) shall constitute an arbitral award; and (iv) shall be conclusive and binding upon all the parties upon which a judgment may be rendered by a court having proper jurisdiction thereover. Upon delivery of such resolution, the Proposed Earn-Out Statement, as modified in accordance with such resolution, shall become final and binding upon all parties.

(c) Final Earn-Out Statement. A Proposed Earn-Out Statement shall become a "Final Earn-Out Statement" on the earlier of (i) the first day following the end of the applicable Earn-Out Review Period, if an Earn-Out Notice of Disagreement has not been delivered to the Buyer by the Sellers' Representative, (ii) the date upon which the Sellers' Representative acknowledges in writing that it has no objections to a Proposed Earn-Out Statement, (iii) the date of resolution of all matters set forth in the applicable Earn-Out Notice of Disagreement pursuant to Section 2.7(b) and (iv) the date upon which the Accounting Firm reaches a final, binding resolution of solely those matters specified in the applicable Earn-Out Notice of Disagreement pursuant to Section 2.7(b). The date on which a Proposed Earn-Out Statement shall become a Final Earn-Out Statement pursuant to the immediately foregoing sentence is referred to as a "Final Earn-Out Determination Date".

(d) Earn-Out Dispute Resolution Expenses. The Buyer and the Sellers' Representative (on behalf of the Seller Parties) shall each pay their own costs and expenses incurred in connection with the Earn-Out Dispute Resolution procedure. The fees, costs and expenses of the Accounting Firm shall be allocated to and borne by the Buyer and the Sellers' Representative (on behalf of the Seller Parties) based on the inverse of the percentage that the Accounting Firm's determination (before such allocation) bears to the total amount of the total items in dispute as originally submitted to the Accounting Firm. For example, should the items in dispute total in amount to $1,000 and the Accounting Firm awards $600 in favor of the Sellers' Representative's position, 60% of the costs of its review would be borne by the Buyer and 40% of the costs would be borne by the Sellers' Representative (on behalf of the Seller Parties).

(e) Payment of Earn-Out Payment. No later than the tenth Business Day following the Final Earn-Out Determination Date for any Earn-Out Payment, subject to any adjustments pursuant to Section 2.7(f), the Buyer shall pay, or cause to be paid, the amount of the Earn-Out Payment (if positive) for such Earn-Out Period (i) to NewCo (for further distribution to the other Sellers in accordance with their respective Transaction Percentages), (ii) the Company for further distribution to the holders of Options and Transaction Bonus Recipients who are current or former employees of the Company, through the Company's normal payroll procedures, in accordance with their respective Transaction Percentages, and (iii) holders of Options and Transaction Bonus Recipients who are not current or former employees of the Company, in accordance with their respective Transaction Percentages, in each case, to an account or accounts designated by NewCo, the Sellers' Representative, or the Company, as applicable; provided, however, that in the case of clauses (ii) and (iii), such Earn-Out Payments shall, in each case, be net of any required Tax withholding. Notwithstanding anything to the contrary contained herein, the aggregate amount of Earn-Out Payment actually paid or payable for all Earn-Out Periods shall not exceed the Maximum Earn-

Out Amount. For the avoidance of doubt, if any Earn-Out Payment is negative, the Sellers, holders of Options and Transaction Bonus Recipients shall not owe any amounts to the Buyer. Any amount paid in respect of the Earn-Out Payment pursuant to this Section 2.7(e) shall be treated by the parties as (x) in the case of amounts paid to NewCo, an adjustment to the Initial Purchase Price for Tax purposes, except to the extent of any imputed interest required by the Code and Treasury Regulations and (y) with respect to amounts paid to holders of Options and Transaction Bonus Recipients, compensation, and the Buyer agrees to report such payments for Tax purposes in a manner consistent with foregoing, except to the extent required by a change in applicable Law occurring after the date hereof or pursuant to a final determination within the meaning of Section 1313 of the Code (or any comparable provision of state or local Law). Notwithstanding the foregoing, the Buyer and the Sellers' Representative acknowledge they may from time to time discuss settling the amount and payment of the Earn-Out Payment prior to any Final Earn-Out Determination Date, in the Buyer's and the Sellers' Representative's sole and absolute discretion.

(f) Earn-Out Period Operations. The Buyer hereby covenants and agrees that, during the period commencing on the Closing Date and ending on January 31, 2023, (i) the Buyer shall not take or cause to be taken any action with the intent to reduce the amount the Earn-Out Payment by reducing Average Revenue or Average EBITDA which is not otherwise a good faith action motivated by legitimate business objectives of Buyer other than reducing Average Revenue or Average EBITDA and (ii) Buyer shall operate the Business in a commercially reasonable manner.

(g) Change of Control. In the event that after the Closing and prior to the end of the applicable Earn-Out Period there is a Change of Control of Buyer, and Buyer is not the successor entity, then Buyer shall cause the acquirer in such Change of Control to assume in full all remaining Earn-Out obligations and covenants of Buyer during such remaining Earn-Out Period, pursuant to this Section 2.7. For purposes hereof, a "Change of Control" means the occurrence, in a single transaction or as the result of a series of related transactions, of one or more of the following events: (i) a merger, consolidation, reorganization or similar business combination transaction involving the Buyer in which the holders of all of the outstanding equity interests of the Buyer immediately prior to the consummation of such transaction do not directly or indirectly (including through Affiliates) own beneficially or of record immediately upon the consummation of such transaction outstanding equity interests that represent a majority of the combined outstanding voting securities of the surviving entity in such transaction or of a parent of the surviving entity in such transaction; (ii) a transaction in which a majority of the Buyer's voting securities are transferred to any Person, or any two or more Persons acting as a group, and all Affiliates of such Person or Persons (each, a "Group"), that were not directly or indirectly (including through Affiliates), beneficially or of record, equity holders of Buyer prior to the consummation of such transaction; or (iii) the consummation of the sale of all or substantially all of the assets of the Buyer and its Subsidiaries, taken as a whole, to any Group, other than such a sale to a Group in which the equity holders of the Buyer, directly or indirectly (including through Affiliates), beneficially or of record, own a majority of the combined voting securities.

Section 2.8 Withholding. Each of the Buyer and the Company shall be entitled to deduct and withhold from any amounts otherwise payable hereunder to any Person such amounts as it is required to deduct and withhold under any provision of any Tax Law. To the extent that amounts are so deducted and withheld, such deducted and withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made.

Section 2.9 Purchase Price Allocation.

(a) The Buyer shall present a draft of the Allocation (the "Proposed Allocation") in accordance with the methodology set forth in Schedule 2.9 to the Sellers' Representative for review within thirty (30) Business Days of the final determination of the Purchase Price under Section 2.4. Unless Sellers' Representative notifies the Buyer of an objection as provided in this Section 2.9, at the close of business on the fifteenth (15th) Business Day after delivery of the Proposed Allocation, the Proposed Allocation shall become the Allocation. The Sellers' Representative shall notify Buyer of any objection to the Proposed Allocation within fifteen (15) Business Days of the delivery of the Proposed Allocation. The Buyer and the Sellers' Representative shall negotiate in good faith and use their commercially reasonable efforts to resolve any differences for a period of ten (10) Business Days after delivery of such notice by the Sellers' Representative. If the Buyer and the Sellers' Representative reach agreement amending the Proposed Allocation, the Proposed Allocation, as amended by such agreement, shall become binding upon the Buyer and the Sellers' Representative and shall be the Allocation. If the Buyer and the Sellers' Representative cannot mutually agree on the appropriate allocation within the ten (10) day time limit set forth in this Section 2.9, then the Buyer and the Sellers' Representative shall submit the Proposed Allocation to the Accounting Firm, solely for the purposes of resolving such dispute. The costs of the services of the Accounting Firm shall be borne equally by the Buyer, on the one hand, and the Sellers, on the other hand. The Buyer, the Sellers and their respective Affiliates shall prepare and file all Tax Returns in all respects and for all purposes consistent with the Allocation as finally determined pursuant to this Section 2.9 and shall not make any inconsistent statement or adjustment on any Tax Return unless required by applicable Law, or otherwise take any Tax position inconsistent with the Allocation (including in audits), absent a "determination" within the meaning of Section 1313 of the Code to the contrary.

(b) In the event that there is any adjustment to the Purchase Price pursuant to this Agreement, the Allocation shall be adjusted as appropriate to reflect any such adjustment and such allocation, as revised, shall be the Allocation.

ARTICLE III

THE CLOSING

Section 3.1 Closing; Closing Date. The closing of the sale and purchase of the Interests contemplated by this Agreement (the "Closing") shall take place at the offices of Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019-6064, at 10:00 a.m. local time, on the second Business Day after the date that all of the conditions to the Closing set forth in Articles IX and X (other than those conditions which, by their terms, are to be satisfied or waived at the Closing,

but subject to the satisfaction or waiver of those conditions on the Closing Date) shall have been satisfied or waived in writing by the party entitled to waive the same, or at such other time or date that the Sellers' Representative and the Buyer may agree in writing; provided, that the Closing shall not occur prior to October 1, 2018, unless otherwise notified in writing by Buyer to Seller at least two Business Days prior to the applicable Closing Date. The date upon which the Closing occurs is referred to as the "Closing Date".

Section 3.2 Transactions to Be Effected at Closing. At the Closing, the following transactions shall be effected by the parties:

(a) NewCo or the Company shall deliver to the Buyer (in form and substance reasonably acceptable to the Buyer):

(i) appropriate instruments of transfer with respect to the Interests;

(ii) each of the documents, certificates and items required to be delivered by the Sellers pursuant to Article IX;

(iii) the certificates required to be delivered by the Sellers pursuant to Section 8.6;

(iv) evidence of the termination of each agreement required to be terminated pursuant to Section 7.13;

(v) true and complete copies of all of the documents relating to the Reorganization duly executed by the Sellers, NewCo, the Company and their respective Affiliates, as applicable, in form and substance reasonably acceptable to the Buyer; and

(vi) the resignations required to be delivered pursuant to Section 7.14.

(b) The Buyer shall:

(i) pay to NewCo (for further distribution to the other Sellers in accordance with their respective Transaction Percentages and the provisions of Article II), by wire transfer of immediately available funds to a bank account designated in writing by NewCo at least two Business Days before the Closing Date, an amount equal to the portion of the Estimated Purchase Price payable to NewCo pursuant to Section 2.1, which payment shall constitute full satisfaction of the Buyer's obligations arising at the Closing under Section 2.1 with respect to the Initial Purchase Price;

(ii) pay to (a) the Company (for further distribution to the holders of Options and Transaction Bonus Recipients who are current or former employees of the Company, through the Company's normal payroll procedures) and (b) holders of Options and Transaction Bonus Recipients who are not current or former employees of the Company, in each case in accordance with their respective Transaction Percentages and the provisions of Article II, by wire transfer of immediately available funds to a bank account designated in writing by such Persons or the Company, as applicable, at least two Business Days before the Closing Date, an amount equal to the portion of the Estimated Purchase Price payable to such Persons pursuant to Section 2.6, which payment shall constitute full satisfaction of the Buyer's obligations arising at the Closing under Section 2.6 with respect to the Initial Purchase Price;

(iii) deposit the Indemnity Escrow Amount into the Indemnity Escrow Account;

(iv) deposit the Adjustment Escrow Amount into the Adjustment Escrow Account;

(v) deposit the Second Escrow Amount in the Second Escrow Account;

(vi) deposit the First Escrow Amount in the First Escrow Account;

(vii) pay, or cause to be paid, on behalf of the Company, the Closing Transaction Expenses by wire transfer of immediately available funds or as otherwise directed by the Company; provided, that, any amounts payable to Service Providers shall be paid to the Company for processing through payroll;

(viii) pay, or cause to be paid, on behalf of the Company all of the Funded Indebtedness in accordance with the Pay-Off Letters; and

(ix) deliver each of the documents, certificates and items required to be delivered by the Buyer pursuant to Article X.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE SELLERS

Except as set forth in the Disclosure Schedules, each Seller represents and warrants to the Buyer as follows:

Section 4.1 Requisite Power & Due Authorization. Such Seller has the requisite power and authority to own or lease its assets and properties and to conduct its business as it is now being conducted. Such Seller has legal capacity to execute and deliver each Transaction Document to which such Seller is or will be a party and to consummate the Contemplated Transactions, and no other proceeding, consent or

authorization on the part of such Seller is necessary to authorize any Transaction Document to which it is or will be a party or the Contemplated Transactions. Each Transaction Document to which such Seller is or will be a party has been or will be duly and validly executed and delivered by such Seller and constitutes, or will constitute, a legal, valid and binding obligation of such Seller, enforceable against such Seller in accordance with its terms, subject to the Enforceability Exceptions.

Section 4.2 No Conflict. The execution and delivery by such Seller of each Transaction Document to which such Seller is or will be a party and the consummation of the Contemplated Transactions do not and will not:

(a) breach, violate, conflict with or result in a default under any provision of, or constitute an event that, after notice or lapse of time or both, would result in a breach, violation, conflict or default under, or accelerate the performance required, in each case in any material respect, or result in the termination of or give any Person the right to terminate, any material Contract to which such Seller is a party or by which any of such Seller's assets are bound;

(b) assuming compliance with the matters addressed in Section 4.3, breach, violate, conflict with or result in a default under, any provision of, or constitute an event that, after notice or lapse of time or both, would result in a breach or violation of or conflict or default under, in each case in any material respect, any applicable material Law or Order binding upon or applicable to such Seller;

(c) violate or conflict with the Organizational Documents of the Sellers; or

(d) result in the creation or imposition of any material Lien, with or without notice or lapse of time or both, on any assets of such Seller.

Section 4.3 No Authorization or Consents Required. Assuming the truth and completeness of the representations and warranties of the Buyer contained in this Agreement, no notice to, consent, approval or authorization of or designation, declaration or filing with any Governmental Authority or other Person is required by such Seller with respect to such Seller's execution or delivery of any Transaction Document to which such Seller is or will be a party or the consummation of the Contemplated Transactions, other than compliance with any applicable requirements of the HSR Act.

Section 4.4 Litigation. There are no pending or, to the Knowledge of such Seller, threatened Actions before or by any Governmental Authority against such Seller that would reasonably be expected to adversely affect or restrict the ability of such Seller to enter into and perform such Seller's obligations under any Transaction Document to which such Seller is or will be a party. Such Seller is not subject to any outstanding Order that prohibits or otherwise restricts the ability of such Seller to consummate fully the Contemplated Transactions.

Section 4.5 Title to Capital Stock.

(a) After giving effect to the Reorganization, the Company Shareholders shall own 100% of the outstanding Capital Stock of NewCo (excluding the Options set forth on Schedule 5.6.

(b) Exhibit A sets forth such Company Shareholder's record ownership of the Interests as of the date hereof and immediately prior to the Reorganization. Other than the Interests set forth opposite such Seller's name on Exhibit A, such Seller holds no other Capital Stock of the Company. Such Seller has good and valid title to the Interest sets forth opposite such Seller's name on Exhibit A, free and clear of all Liens. At the Closing, (i) NewCo will have good and valid title to the Interests, free and clear of all Liens and (ii) the Interests will pass to the Buyer, free and clear of any Liens. The Interests set forth opposite such Seller's name on Exhibit A are not subject to any Contract restricting or otherwise relating to the voting, distribution rights or disposition of such Interests. After the consummation of the Contemplated Transactions, no Seller nor NewCo will hold any Capital Stock of the Company.

Section 4.6 Brokers. No broker, finder, investment banker or other Person is entitled to any brokerage, finder's or other advisory fees, costs, expenses, commissions or similar payments in connection with the Contemplated Transactions based upon any arrangements or Contract made by such Seller or any of its Affiliates.

Section 4.7 Reliance. The Sellers acknowledge and agree that the Buyer is relying on the representations and warranties set forth in Articles IV and V in connection with the execution of this Agreement and the consummation of the transactions contemplated hereby.

ARTICLE V

REPRESENTATIONS AND WARRANTIES AS TO THE COMPANY

Except as set forth in the Disclosure Schedules (each of which disclosures in order to be effective as an exception to the representations and warranties contained in any Section of this Article IV, shall (a) clearly indicate such Section and, if applicable, the Subsection of this Article IV to which such disclosure relates or (b) upon a reading thereof without any independent knowledge of the subject matter thereof, is reasonably apparent on its face to apply to such Section), the Sellers, jointly and severally, represent and warrant to the Buyer as of the date hereof as follows:

Section 5.1 Company Organization.

(a) As of the date hereof, the Company has been duly incorporated and is validly existing and in good standing under the laws of the State of California. The Company has the requisite power and authority to own or lease its properties and to conduct its business as it is now being conducted. The Company is duly licensed or qualified and in good standing as a foreign corporation or other legal entity, as applicable, in all jurisdictions in which it is required to be so licensed or qualified, except

where failure to be so licensed or qualified would not have, and would not be reasonably be expected to have, a Material Adverse Effect on the Company or the ability of the Company to enter into this Agreement or consummate the Contemplated Transactions. The Company has made available to the Buyer a true and complete copy of its Organizational Documents, each as in effect on the date hereof.

(b) As of the Closing Date, NewCo was formed to effect the Reorganization and for the other purposes expressly contemplated by this Agreement (including owning the Interests), in each case, in accordance with the terms of this Agreement.

(c) As of immediately prior to the Closing (i) NewCo has not conducted any business or operations other than in connection with the transactions contemplated by this Agreement (including the Reorganization); and (ii) except for the administrative costs and expenses incurred in its organization, or arising under or in connection with this Agreement and the transactions contemplated by this Agreement (including the Reorganization), NewCo has no assets, Liabilities, or employees except for the ownership of the Interests.

Section 5.2 Due Authorization. Each of the Company and NewCo has all requisite power and authority to execute and deliver each Transaction Document to which it is or will be a party and to consummate the Contemplated Transactions. The execution and delivery by the Company and NewCo of each Transaction Document to which it is or will be a party and the consummation of the Contemplated Transactions has been duly and validly authorized and approved by the board of directors or equivalent governing body of the Company and NewCo, as applicable, and no other proceeding, consent or authorization on the part of the Company or NewCo is necessary to authorize any Transaction Document to which it is or will be a party or the Contemplated Transactions. Each Transaction Document to which the Company or NewCo is or will be a party, has been or will be duly and validly executed and delivered by the Company and NewCo, as applicable, and constitutes, or will constitute, a legal, valid and binding obligation of the Company and NewCo, as applicable, enforceable against the Company and NewCo, as applicable, in accordance with its terms, subject to the Enforceability Exceptions.

Section 5.3 No Conflict. The execution and delivery by the Company and NewCo of each Transaction Document to which it is or will be a party and the consummation of the Contemplated Transactions do not and will not:

(a) breach, violate, conflict with or result in a default under any provision of, or constitute an event that, after notice or lapse of time or both, would result in a breach or violation of or conflict or default under, or accelerate the performance required, in each case in any material respect, or result in the termination of or give any Person the right to terminate, any Material Contract;

(b) assuming compliance with the matters addressed in Section 5.4, breach, violate, conflict with or result in a default under, any provision of, or constitute an event that, after notice or lapse of time or both, would result in a breach or violation of or conflict or default under, in each case in any material respect, any applicable material Law or Order binding upon or applicable to the Company or NewCo;

(c) violate or conflict with the Organizational Documents of the Company or NewCo; or

(d) result in the creation or imposition of any material Lien, with or without notice or lapse of time or both, on any assets of the Company or NewCo.

Section 5.4 No Authorization or Consents Required. Assuming the truth and completeness of the representations and warranties of the Buyer contained in this Agreement, no notice to, consent, approval or authorization of or designation, declaration or filing with any Governmental Authority or other Person is required by the Company or NewCo with respect to the execution or delivery of any Transaction Document to which it is or will be a party or the consummation of the Contemplated Transactions, other than compliance with any applicable requirements of the HSR Act.

Section 5.5 Litigation; Orders. Except as set forth on Schedule 5.5, there are no pending or, to the Knowledge of the Company, threatened material Actions before or by any Governmental Authority or by any other Person against the Company. There are no pending or, to the Knowledge of the Company, threatened material Actions by any Governmental Authority or by any other Person against any officer, director or employee of the Company, in their capacities as such or any other Person with respect to which the Company has or could reasonably be expected to have an indemnification obligation. The Company is not subject to any outstanding Order that is material to *the* Company or prohibits or otherwise restricts the ability of the Company to consummate fully the Contemplated Transactions.

Section 5.6 Capitalization. Schedule 5.6 sets forth a true and complete list of the authorized, issued and outstanding Capital Stock of the Company as of the date hereof and immediately prior to and after giving effect to the Reorganization. The issued and outstanding Capital Stock of the Company is duly authorized, validly issued, fully paid and non-assessable (to the extent that such concepts are applicable) and free of any preemptive rights in respect thereto. Except as set forth on Schedule 5.6, there is no other Capital Stock of the Company authorized, issued, reserved for issuance or outstanding. Except as set forth on Schedule 5.6, there are no outstanding or authorized stock options, restricted stock, restricted stock units, stock appreciation, phantom stock, profits interests, profit participation or similar rights with respect to the Capital Stock of the Company. The Company does not have any authorized or outstanding bonds, debentures, notes or other indebtedness the holders of which have the right to vote (or are convertible into, exchangeable for or evidencing the right to subscribe for or acquire securities having the right to vote) with the stockholders of the Company on any matter. There are no Contracts to which the Company is a party or by which the Company is bound to (a) repurchase, redeem or otherwise acquire any Capital Stock of the Company or

(b) vote or dispose of any Capital Stock of the Company. No Person has any right of first offer, right of first refusal or preemptive right in connection with any future offer, sale or issuance of Capital Stock of the Company. The Options being canceled pursuant to Section 2.6 and the Interests being acquired by the Buyer pursuant hereto represent, in the aggregate, all of the issued and outstanding Capital Stock of the Company. There are no declared and unpaid dividends or other distributions with respect to the Capital Stock of the Company.

Section 5.7 Subsidiaries. The Company does not own, directly or indirectly, any Capital Stock or debt securities of any Person.

Section 5.8 Financial Statements.

(a) Schedule 5.8 sets forth a true and complete copy of each of (a) the Company's unaudited balance sheet (the "Interim Balance Sheet") as of June 30, 2018 (the "Interim Balance Sheet Date") and June 30, 2017 and the related statements of income and cash flows for the six-month period ended on each such date (together with the Interim Balance Sheet, the "Interim Financial Statements") and (b) the Company's audited balance sheets (the "Audited Balance Sheet") and statements of income and cash flows for the fiscal year ended December 31, 2017 (together with the Audited Balance Sheet, the "Audited Financial Statements"). The Audited Financial Statements and the Interim Financial Statements, collectively, are hereinafter referred to as the "Financial Statements." Except as set forth on Schedule 5.8, the Financial Statements have been prepared in accordance with GAAP, consistently applied throughout the periods indicated, and present fairly in all material respects the financial condition and results of operations of the Company as of the times and for the periods referred to therein, subject in the case of the Interim Financial Statements to (i) the absence of footnote disclosures and (ii) changes resulting from customary year-end adjustments.

(b) The Company's system of internal controls over financial reporting is sufficient to provide reasonable assurance in all material respects that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, consistently applied.

Section 5.9 No Undisclosed Liabilities. There are no Liabilities of or with respect to the Company whether or not they are required to be set forth in the liabilities column of a balance sheet prepared in accordance with GAAP, other than (a) Liabilities specifically disclosed and adequately reflected in the Financial Statements, (b) Liabilities for performance under Material Contracts listed on Schedule 5.12(a) (excluding any Liability for breach) (c) Liabilities that are not in excess of $10,000 individually and (d) Transaction Expenses.

Section 5.10 Absence of Certain Developments.

(a) Since the date of the latest Audited Balance Sheet through the date of this Agreement, the Company has, in all material respects, conducted its business and operated its properties in the ordinary course of business and the Company has not taken any action which, if taken after the date hereof, would require the consent of the Buyer pursuant to Section 7.1.

(b) Since the date of the latest Audited Balance Sheet, there has not been any Material Adverse Effect and no circumstances have arisen, which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

Section 5.11 Taxes.

(a) All income and all other material Tax Returns required to be filed by or with respect to the Company have been properly prepared and timely filed. All such Tax Returns (including information provided therewith or with respect thereto) are true and complete in all material respects.

(b) The Company has fully and timely paid all material Taxes owed by it (whether or not shown on any Tax Return of the Company) and has made adequate provision for any Taxes that are not yet due and payable for all taxable periods, or portions thereof, ending on or before the date hereof. The Financial Statements reflect an adequate reserve (excluding any reserve for deferred Taxes) for all material Taxes payable by the Company for all taxable periods and portions thereof accrued through the date of such Financial Statements. Since the Interim Balance Sheet Date, the Company has not incurred any Tax Liabilities, other than for Taxes relating to the ordinary course of business conducted by the Company consistent with past practice.

(c) The Company has made available to the Buyer true, correct and complete copies of all income and all other material Tax Returns, examination reports and statements of deficiencies for the Company for taxable periods or transactions consummated for which the applicable statutory periods of limitations have not expired.

(d) There are no outstanding agreements extending or waiving the statutory period of limitations applicable to any claim for, or the period for the collection, assessment or reassessment of, Taxes due from the Company for any taxable period. No request for any such waiver or extension is currently pending.

(e) No audit or other Action by any Governmental Authority is pending or threatened in writing with respect to any Taxes due from or with respect to the Company. No Governmental Authority has given notice of any intention to assert any deficiency or claim for additional Taxes against the Company. No claim has been made by any Governmental Authority in a jurisdiction where the Company does not file Tax Returns that it is or may be subject to taxation by that jurisdiction. All deficiencies for Taxes asserted or assessed against the Company have been fully and timely paid, settled or properly reflected in the Financial Statements.

(f) There are no Liens for Taxes upon the assets or properties of the Company, except for statutory Liens for current Taxes not yet due.

(g) The Company has not (i) participated in any reportable transaction within the meaning of Treasury Regulations Section 1.6011-4(b) (or any similar provision of any Tax Law); nor (ii) taken any reporting position on a Tax Return, which reporting position (A) if not sustained would be reasonably likely, absent

disclosure, to give rise to a penalty for substantial understatement of federal income Tax under Section 6662 of the Code (or any similar provision of any Tax Law) and (B) has not adequately been disclosed on such Tax Return in accordance with Section 6662(d)(2)(B) of the Code (or any similar provision of any Tax Law).

(h) The Company is not a party to any Contract relating to the sharing, allocation or indemnification of Taxes (collectively, "Tax Sharing Agreements") nor has any liability for Taxes of any Person (other than members of the affiliated group, within the meaning of Section 1504(a) of the Code, filing consolidated federal income Tax Returns of which the Company is the common parent) under Treasury Regulation Section 1.1502-6, Treasury Regulation Section 1.1502-78 or similar provision of any Tax Law, as a transferee or successor, pursuant to a Contract or otherwise.

(i) The Company has withheld (or will withhold) from its present and former employees, independent contractors, creditors, stockholders and third parties and timely paid to the appropriate Governmental Authority proper and accurate amounts for all periods ending on or before the Closing Date in compliance with all Tax withholding and remitting provisions of applicable Laws. The Company has complied in all material respects with all Tax information reporting provisions of all applicable Laws.

(j) The Company has not constituted a "distributing corporation" or a "controlled corporation" (within the meaning of Section 355(a)(1)(A) of the Code) in a distribution of shares qualifying for tax-free treatment under Section 355 of the Code (i) in the two years prior to the date of this Agreement or (ii) in a distribution that could otherwise constitute part of a "plan" or "series of related transactions" (within the meaning of Section 355(e) of the Code) in conjunction with the Contemplated Transactions by this Agreement.

(k) The Company will not be required to include any item of income or gain in, or exclude any item of deduction or loss or other tax benefit from, taxable income for any taxable period (or portion thereof) ending after the Closing Date that accrued in a taxable period prior to the Closing Date but was not recognized for Tax purposes in such prior taxable period for any reason, including as a result of any (i) change in method of accounting for a taxable period ending on or prior to the Closing Date, (ii) "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or non-U.S. income Tax Law) executed on or prior to the Closing Date, (iii) intercompany transaction between the Company, on the one hand, and the Sellers or any Affiliate of the Sellers, on the other hand (other than the Company) occurring at or prior to the Closing, (iv) installment sale or open transaction disposition made on or prior to the Closing Date, (v) prepaid amount received on or prior to the Closing Date, or (vi) election by the Company under Section 108(i) of the Code.

(l) Any adjustment of Taxes of the Company made by the IRS, which adjustment is required to be reported to the appropriate Governmental Authorities, has been so reported.

(m) The Company has not executed or entered into a closing agreement pursuant to Section 7121 of the Code or any similar provision of any Law. The Company is not subject to any private letter ruling of the IRS or comparable ruling of any other Governmental Authority.

(n) The Company has been a validly electing "S" corporation (an "S Corporation") within the meaning of Sections 1361 and 1362 of the Code (and under any similar provision of state, local, or non-U.S. Tax Law) at all times during its existence, and the Company will be an S Corporation through the date on which the Reorganization occurs.

(o) No power of attorney has been granted by any Seller or the Company with respect to any matter relating to Taxes of the Company, which power of attorney is currently in force.

(p) This Section 5.11 constitutes the exclusive representations and warranties of the Company with respect to Taxes and any claim for breach of representation with respect to Taxes shall be based solely on the representations made in this Section 5.11 and shall not be based on the representations set forth in any other provision of this Agreement.

Section 5.12 Contracts.

(a) Schedule 5.12(a) sets forth a true and complete list of all Material Contracts that are currently in effect as of the date hereof. "Material Contracts" means any Contract to which the Company is a party and which falls within any of the following categories:

(i) any Contract that the Company reasonably anticipates will involve payments or consideration of more than $50,000 individually or $150,000 in the aggregate in the calendar year ending December 31, 2018 for goods and services furnished by or to the Company;

(ii) any Contract relating to Indebtedness of the Company, or any Contract under which the Company has advanced or loaned an amount to any Person, other than trade credit in the ordinary course of business;

(iii) any Contract relating to the title to, or ownership, lease, use, sale, exchange or transfer of, any leasehold or other interest in any real or personal property;

(iv) any Contract under which the Company would incur any change-in-control payment or similar compensation obligations to any current or former Service Providers by reason of any Transaction Document or the Contemplated Transactions; any employment agreement, consulting agreement, offer letter, or other Contract with any Service Provider that is not terminable without advance notice, severance, or other penalty; any severance or separation Contract with any current or former Service Provider; or any collective bargaining, labor or similar Contract entered into by the Company; or any stock option, stock purchase, stock appreciation or other equity incentive compensation plan;

(v) any Contract which purports to limit or restrict the ability of the Company or any Affiliate of the Company to enter into or engage in any market or line of business or that provides for "most favored nations" terms or establishes an exclusive sale or purchase obligation with respect to any product or any geographic location; any material non-solicitation Contracts; or any joint venture, partnership or limited liability company Contract;

(vi) any Contract with any current or former officer, director, holder of Capital Stock of the Company, with any Related Party of any of the foregoing or with any Affiliate of any such Related Party (excluding Contracts in respect of the grant or issuance of equity in the Company that do not contain any indemnification or other material outstanding obligations);

(vii) any Contract for the sale, transfer or acquisition of any of the assets, Capital Stock or businesses of the Company (other than, in the case of sales or transfers of assets, in the ordinary course of business) or for the grant to any Person of any preferential rights to purchase any of the assets, Capital Stock or businesses of the Company under which there are material outstanding obligations;

(viii) any distribution agreements;

(ix) any IP License, other than non-disclosure agreements, agreements with the Company's employees and contractors, and non-exclusive licenses granted by the Company to its customers, in each of the foregoing cases, entered into in the ordinary course of business, and agreements for generally commercially available off-the-shelf Software licenses available on non-discriminatory pricing terms and that provide for one-time or annual license, maintenance, support and other fees of $50,000 or less individually and $150,000 or less in the aggregate;

(x) any Contract for capital expenditures involving payments of more than $50,000 individually or $150,000 in the aggregate, in each case under which there are material outstanding obligations;

(xi) any Contract under which the Company has continuing material indemnification obligations to any Person, other than those entered into in the ordinary course of business; or

(xii) any Contract entered into in the past three years involving any resolution or settlement of any actual or threatened Action either with a value of greater than $100,000 or which imposes material continuing obligations on the Company.

(b) The Company has made available to the Buyer a true and complete (i) copy of each written Material Contract and (ii) written summary of all of the material terms and conditions of each oral Material Contract.

(c) Each Material Contract is a valid and binding obligation of the Company, is in full force and effect and is enforceable against the Company, and to the Knowledge of the Company, against the other parties thereto, subject to the Enforceability Exceptions. The Company is not in material breach, violation of or default under any Material Contract. No event has occurred that, with notice or lapse of time or both, would constitute such a material breach or violation or default by the Company under any Material Contract or, to the Knowledge of the Company, the other parties thereto.

Section 5.13 Customers and Suppliers

(a) . Schedule 5.13 sets forth a true and complete list of (i) each customer of goods and services of the Company that the Company reasonably anticipates will account for $250,000 or more of revenue in calendar year 2018 and (ii) each supplier of goods and services to the Company that the Company reasonably anticipates will account for $250,000 or more of expenses in calendar year 2018. Except as set forth on Schedule 5.13, as of the date hereof, no Person set forth on Schedule 5.13(a) has, to the Knowledge of the Company, threatened to cancel or otherwise terminate or intends to cancel or otherwise terminate, the relationship of such Person with the Company or (b) has materially modified or decreased materially or, to the Knowledge of the Company, threatened to materially modify or decrease materially or limit materially or intends to materially modify its relationship with the Company or intends to decrease materially its purchases from, or services or supplies to, the Company. To the Knowledge of the Company, none of the execution, delivery or performance of any Transaction Documents to which it is or will be a party will adversely affect the relationship of the Company with any Person set forth on Schedule 5.13.

Section 5.14 Intellectual Property.

(a) All Intellectual Property owned, used or held for use in the operation of the business of the Company (the "Company Intellectual Property") is either (i) Owned Intellectual Property or (ii) is used by the Company pursuant to a valid IP License or other right (the "Licensed Intellectual Property"), in each case, free and clear of all Liens (other than non-exclusive licenses of Owned Intellectual Property granted by the Company to its customers in the ordinary course of business). The Company Intellectual Property is sufficient for the Buyer to carry on the business of the Company from and immediately following the Closing in all material respects as presently carried on by the Sellers and their Affiliates, consistent with the past practice of the Sellers and their Affiliates with respect to the business of the Company.

(b) Schedule 5.14(b) sets forth a true and complete list of all Owned Intellectual Property that is (i) registered, issued or the subject of a pending application with a Governmental Authority or (ii) is a domain name registration or social media account identifiers). All of the registrations, issuances and applications of Owned Intellectual Property set forth on Schedule 5.14(b) are valid and in full force and effect and up to date on payment of fees and maintenance filings. Upon the Closing, the Company will continue to own all right, title and interest in and to the Owned Intellectual Property and will have the right to use all Licensed Intellectual Property on identical terms and conditions as the Company enjoyed immediately prior to the Closing.

(c) The Company has taken commercially reasonable actions to maintain and protect their rights in and to the Company Intellectual Property, including taking all necessary precautions to protect the secrecy, confidentiality and value of their trade secrets.

(d) The conduct of the business of the Company does not currently and during the past three years has not misappropriated, infringed or otherwise materially violated any Intellectual Property or other proprietary rights of any other Person. There is no Action pending or, to the Knowledge of the Company, threatened that alleges such misappropriation, infringement or violation or challenging the Company's rights in any Company Intellectual Property and, to the Knowledge of the Company, there is no existing fact or circumstance that would be reasonably expected to give rise to any such Action. To the Knowledge of the Company, no Person is currently or has during the past three years infringed, misappropriated or otherwise materially violated the Company's rights in the Company Intellectual Property.

(e) Except as set forth on Schedule 5.14(e) or as already disclosed in the Disclosure Schedules, the Company is not aware of any active or pending trademark opposition or cancellation Actions initiated by or against the Company before the U.S. Trademark Trial and Appeal Board or a foreign trademark tribunal.

(f) Each current and past employee, officer or consultant or other Person involved in the development of any material Owned Intellectual Property has executed a valid and enforceable Contract with the Company that (i) conveys to the Company all right, title and interest in any and all Intellectual Property developed by such Person in connection with such Person's employment or engagement by the Company, (ii) requires such Person to cooperate with the Company in the prosecution of any patent applications filed in connection with such Intellectual Property and (iii) obligates such Person to maintain the confidentiality of the confidential information and trade secrets of the Company, both during and after the term of employment or Contract.

(g) The Company has taken commercially reasonable actions necessary to protect confidentiality, integrity and security of the IT Assets under its control (including Personal Data stored therein or transmitted thereby) from loss, unauthorized access or misuse, and there has been no failure, breach or unauthorized access to any such IT Assets or Personal Data in their possession or control. The IT Assets: (i) are sufficient for the current operations of the Company, (ii) operate in conformance with their documentation and without any material defect, unavailability, error, virus or malware and (iii) will, to the Knowledge of the Company, operate and continue to be accessible to users on substantially the same availability basis after the Closing as available prior to the Closing.

(h) The Company has a privacy policy regarding the collection, use, storage and transfer of Personal Data in the operation of their businesses. The Company is and has at all times been in compliance with such privacy policy and, the Company regularly monitors developments and changes to the legal and regulatory landscape and makes commercially reasonable efforts to maintain compliance. To the

Knowledge of the Company, the Company is and has been in compliance with all applicable Laws, Orders and contractual obligations relating thereto. The execution, delivery and performance of the Transaction Documents and the consummation of the Contemplated Transactions will not (i) violate such privacy policy as it currently exists or it existed at any time during which Personal Data was collected or obtained by the Company, (ii) require notice to or consent from any data subjects or third parties regarding the continued use of Personal Data by or on behalf of the Company in its business or (iii) result in the forfeiture or loss of any Personal Data. Upon the Closing, the Company will continue to have the right to use such Personal Data on identical terms and conditions as the Company enjoyed immediately prior to the Closing. No Actions are pending or, to the Knowledge of the Company, threatened against the Company relating to the collection or use of Personal Data.

Section 5.15 Property.

(a) Except as set forth on Schedule 5.15(a) or for assets disposed of in the ordinary course of business since December 31, 2017, the Company owns good and marketable title to, or holds pursuant to valid and enforceable leases, all of the personal property shown to be owned or leased by it on the balance sheet included in the Interim Financial Statements, free and clear of all Liens, except for Permitted Liens.

(b) Schedule 5.15(b) sets forth a true and complete list of all Contracts under which the Company leases, subleases, licenses or otherwise occupies real property (each, a "Lease" and collectively, the "Leases", and each description of the real property demised under the Leases, a "Leased Property" and collectively the "Leased Properties"). Prior to the date hereof, the Company has made available to the Buyer a true, correct and complete copy of each Lease, including all amendments, extensions, renewals, guaranties and other agreements relating to each Lease. Each Lease constitutes the entire agreement between the Company and each landlord or sublandlord with respect to the Leased Properties. Each Lease is a valid and binding obligation of the Company, is in full force and effect and is enforceable against the Company and, to the Knowledge of the Company, the other parties thereto, subject to the Enforceability Exceptions, and neither the Company nor, to the Knowledge of the Company, any other party thereto is in material breach, violation or default under any Lease and no event has occurred that, with notice or lapse of time or both, would constitute such a material breach, violation or default by the Company or, to the Knowledge of the Company, any other party thereto. The Company has good and valid leasehold title to each Leased Property free and clear of any Liens other than Permitted Liens. Except as set forth in Schedule 5.15(b), the Company has not subleased, licensed or otherwise granted to any Person the right to use or occupy any Leased Property or any portion thereof.

(c) The Company does not own any real property.

Section 5.16 Sufficiency of Assets. The facilities, machinery, equipment, furniture, leasehold improvements, fixtures, vehicles, structures, related capitalized items and other tangible property that are, individually or in the aggregate, material to the Company (the "Tangible Property") are in good operating condition and repair, subject to continued repair and replacement in accordance with past practice, and are suitable for their intended use. During the past three years there has not been any significant interruption of the operations of the business of the Company due to inadequate maintenance of the Tangible Property. The Tangible Property is sufficient for the Buyer to carry on the business of the Company from and after the Closing Date in all material respects as presently carried on by the Sellers and their Affiliates, as applicable, consistent with the past practice of the Sellers with respect to the business of the Company.

Section 5.17 Service Providers.

(a) Schedule 5.17(a) sets forth a true and complete list setting forth the name, position, job location, primary place of residence, salary or wage rate, commission status, bonus opportunity, date of hire, full- or part-time status and "exempt" or "non-exempt" status, for each employee of the Company, as of the date hereof.

(b) Schedule 5.17(b) sets forth a true and complete list setting forth the name, function or services provided, job location, compensation payable for 2018 and compensation paid in 2017, for each independent contractor, director or consultant of the Company as of the date hereof.

Section 5.18 Labor Matters.

(a) The Company is, and has at all times been, in material compliance with all applicable Labor Laws.

(b) No Service Provider is (i) covered by a collective bargaining or any other labor-related Contract with any labor union, works council or labor organization, nor is any such Contract currently being negotiated or (ii) a leased employee or an outsourced employee. There is no pending or, to the Knowledge of the Company, threatened, nor has there ever been, any organized effort or demand for recognition or certification or attempt to organize employees of the Company by any labor organization. To the Knowledge of the Company, there is no pending nor threatened labor strike, walk-out, work stoppage, slowdown or lockout with respect to employees of the Company, and no labor strike, walk-out, work stoppage, slowdown or lockout has ever occurred.

(c) The Company is not the subject of, nor is there threatened or, to the Knowledge of the Company, pending, any Action asserting that the Company has committed an unfair labor practice, act of discrimination, or other similar complaints with respect to any current or former Service Provider.

(d) As of the date hereof, no employee of the Company has given notice, whether written or oral, to the Company that any such employee intends to terminate his or her employment with the Company. To the Knowledge of the Company, no Service Provider is in any material respect in violation of any term of any employment contract, non-disclosure agreement or noncompetition agreement. The Company has never breached any employment, consulting or severance Contract to which it is or was a party.

(e) The Company has not incurred any Liability under the WARN Act that remains unpaid or unsatisfied and no other activity that would give rise to a notice obligation under the WARN Act has been planned, contemplated or announced.

(f) Employees of the Company who are not citizens or permanent residents of the country in which they work have provided documentation to the Company reflecting their authorization under applicable United States or non-U.S. immigration Laws to work in his or her current position for the Company and a properly completed Form I-9 is on file with respect to each employee of the Company.

(g) The Company does not have any material Liability with respect to the misclassification of any Person as an independent contractor rather than as an employee, or as an "exempt" employee rather than a "non-exempt" employee (within the meaning of the Fair Labor Standards Act of 1938, as amended), or with respect to such Person's status as a leased employee, or with respect to any such Person being improperly included or excluded from any Company Plan, nor has the Company had notice of any pending or, to the Knowledge of the Company, threatened inquiry or audit from any Governmental Authority concerning such classifications or Company Plan inclusions and/or exclusions.

Section 5.19 Employee Benefit Plans.

(a) Schedule 5.19(a) sets forth a true and complete list of each Company Plan.

(b) With respect to each Company Plan, the Company has provided to the Buyer a true, current and complete copy (or, to the extent no such copy exists, an accurate description) thereof and, to the extent applicable, (i) the most recent documents constituting the Company Plan and any amendments thereto, (ii) each related trust agreement or other funding instrument, (iii) the most recent IRS determination or opinion letter, if applicable, (iv) the most recent summary plan description and summary of material modifications, (v) a summary of any proposed amendments or changes anticipated to be made to the Company Plan at any time within the 12 months immediately following the date of this Agreement, (vi) for the three most recent years (A) Forms 5500 and attached schedules, (B) annual financial statements and (C) actuarial valuation reports and (vii) for the three most recent years, all material, non-routine correspondence with the IRS, the DOL, the PBGC, the SEC or any other Governmental Authority regarding the operation or the administration of the Company Plan.

(c) The Company does not have any plan or Contract, whether legally binding or not, or has announced (orally or in writing) an intention, to create any additional Benefit Plans or, except as may be required by applicable Law or Order, to modify, suspend or terminate any Company Plan.

(d) Since its respective inception or effective date, each Company Plan has been established, administered, maintained, funded and operated in all material respects in accordance with its terms and in compliance with the applicable provisions of ERISA, the Code and all other applicable Laws. With respect to each Company Plan, all reports, returns, notices and other documentation require to have been filed with or furnished to the IRS, the DOL, the PBGC, the SEC or any other Governmental Authority or to the participants or beneficiaries of such Company Plan have been filed or furnished on a timely basis.

(e) Each Company Plan that is intended to be qualified within the meaning of Section 401(a) of the Code is so qualified and has received a favorable determination letter from the IRS to the effect that the Company Plan satisfies the requirements of Section 401(a) of the Code and that its related trust is exempt from taxation under Section 501(a) of the Code and, there are, to the Knowledge of the Company, no facts or circumstances that would reasonably be expected to cause the loss of such qualification.

(f) Each Company Plan subject to Section 409A of the Code is in compliance in form and operation with Section 409A of the Code and the applicable guidance and regulations thereunder.

(g) No fiduciary has any Liability for breach of fiduciary duty or any other failure to act or comply with the requirements of ERISA, the Code or any other applicable Laws in connection with the administration or investment of the assets of any Company Plan. No non-exempt "prohibited transaction" within the meaning of Section 406 of ERISA or Section 4975 of the Code has occurred involving any Company Plan.

(h) Neither the Company nor its ERISA Affiliates sponsors, maintains, contributes to or has any Liability in respect of, or has in the past six years sponsored, maintained, contributed to or had any Liability in respect of, (i) any "defined benefit plan" (as defined in Section 3(35) of ERISA) or plan subject to Section 412 of the Code or Section 302 of ERISA, (ii) a "multiple employer welfare arrangement" as defined in Section 3(40) of ERISA, (iii) a Multiemployer Plan, or (iv) any post-employment health, medical or life insurance for any Service Provider (except as may be required under COBRA or at the sole expense of the Service Provider). No event has occurred and no condition exists that would, either directly or by reason of the Company's affiliation with any of its ERISA Affiliates, subject the Company to any material Tax, fine, Lien, penalty or other Liability imposed by ERISA, the Code or other applicable Laws or Orders.

(i) None of the execution and delivery of any Transaction Document, shareholder approval of any Transaction Document or the consummation of the Contemplated Transactions would reasonably be expected to (either alone or in combination with another event) result in (i) severance pay or any increase in severance pay upon any termination of employment after the date of this Agreement, (ii) any payment, compensation or benefit becoming due, or increase in the amount of any payment, compensation or benefit due, to any Service Provider, (iii) the acceleration of the time of payment or vesting or result in any funding (through a grantor trust or otherwise) of compensation or benefits (including Liability for any gross-up, make whole or other payment as a result of imposition of Taxes under Section 4999 or Section 280G of the Code), or (iv) the payment of any amount that could, individually or in combination with any other such payment, constitute an "excess parachute payment," as defined in Section 280G(b)(1) of the Code.

(j) With respect to each Company Plan (i) no Actions (other than routine claims for benefits) are pending or, to the Knowledge of the Company, threatened, (ii) no facts or circumstances exist that would reasonably be expected to give rise to any such Actions, (iii) no audit or other Action by the DOL, the IRS or any other Governmental Authority is pending or, to the Knowledge of the Company, threatened (including any routine requests for information from the PBGC), and (iv) there are no audits or Actions initiated pursuant to the Employee Plans Compliance Resolution System or similar proceedings pending with the IRS or DOL with respect to the Company Plan, including with respect to the Company Plan, compliance with or exemption from Section 409A of the Code.

(k) As of the date hereof, all contributions (including all employer contributions and employee salary reduction contributions) or premium payments required to be made under the terms of any Company Plan or in accordance with applicable Law have been timely made or have been properly accrued for or reflected on the Financial Statements in accordance with GAAP and all contributions or premium payments for any period ending on or prior to the Closing Date which are not yet due will, on or prior to the Closing, have been paid or accrued on the Financial Statements in accordance with GAAP. All Liabilities of the Company in respect of the Company Plan (including workers compensation) that have not been paid as of the date hereof, have been properly accrued on the Financial Statements in compliance with GAAP.

(l) Each compensatory grant of an equity interest in the Company and all capital stock of the Company underlying each such grant is exempt from registration under the Securities Act of 1933, and each such grant complies with all applicable securities Laws, including state Laws.

Section 5.20 Insurance. Schedule 5.20 sets forth a true and complete summary of all insurance policies maintained by the Company. All such insurance policies and binders are valid, binding and in full force and effect and have terms and conditions, including amounts and scope of coverage, that are customary for companies in the same or similar lines of business and of similar size and financial condition. The

Company has not received any notice of cancellation or non-renewal of any such policies or binders nor, to the Knowledge of the Company, is the termination of any such policies or binders threatened. There is no material Action pending under any of such policies or binders as to which coverage has been questioned, denied or disputed by the underwriters of such policies or binders. The Company has made available to the Buyer loss-runs for the last five years in respect of the Company.

Section 5.21 Compliance with Laws.

(a) The Company has at all times been and is in compliance with all Laws and Orders to which the Company is subject, except where the failure to comply, individually or in the aggregate, has not been and would not reasonably be expected to be have a Material Adverse Effect. The Company has not received notice, whether written or oral, from any Governmental Authority that the Company is not in compliance with any applicable Law or Order except for such non-compliance as, individually or in the aggregate, has not been and would not reasonably be expected to have a Material Adverse Effect.

(b) The Company has been at all times and is in compliance with the United States Foreign Corrupt Practices Act of 1977 and any other anti-corruption or anti-bribery Laws of any jurisdiction where the Company does business. The Company has at all times complied with all Laws relating to export control and trade sanctions or embargoes. The Company has not violated the antiboycott prohibitions contained in 50 U.S.C. Sections 2401 *et seq*. or taken any action that can be penalized under Section 999 of the Code.

(c) The Company has obtained all of the material licenses necessary to permit the Company to own, operate, use and maintain its assets in the manner in which they are now owned, operated, used and maintained and to conduct its business as currently conducted (the "Company Licenses"). Each Company License is valid and in full force and effect. There are no Actions pending or, to the Knowledge of the Company, threatened that would reasonably to be expected to result in the termination, revocation, suspension or restriction of the Company License or the imposition of any fine, penalty, sanction or other Liability for violation of any Law or Order relating to the Company License. Except as set forth in Schedule 5.21, none of the Company Licenses shall be affected in any manner by the consummation of the Contemplated Transactions.

(d) The Company, has been at all times and is in material compliance with all Export/Import Laws. The Company has not received any notice, whether written or oral, from any Governmental Authority that the Company is not in material compliance with any Export/Import Laws.

Section 5.22 Environmental Matters.

(a) No notice, notification, demand, request for information, citation, summons or order has been received, no complaint has been filed, no penalty has been assessed and no Action or Order is pending or, to the Knowledge of the Company, threatened by any Person with respect to any matters relating to the Company relating to or arising out of any Environmental Law or Environmental Permit.

(b) There are no Liabilities of or relating to the Company of any kind whatsoever, including those relating to off-site disposal of or human exposure to Hazardous Substances, arising under or relating to any Environmental Law or Environmental Permit, and there are no facts, conditions, situations or set of circumstances that would reasonably be expected to result in or be the basis for any such Liability.

(c) The Company and its business, assets and operations are and have at all times been in compliance with all applicable Environmental Laws and the Company has obtained and is in compliance with all Environmental Permits required for its business, assets and operations. Such Environmental Permits are valid and in full force and effect and will not be terminated or impaired or become terminable, in whole or in part, as a result of the Contemplated Transactions.

(d) (i) There has been no Release of Hazardous Substances with respect to any real property owned, operated or leased by the Company and (ii) the Company has not generated, treated, stored, released, transported or arranged for transportation or disposal of any Hazardous Substance at any location, in each case except in compliance with Environmental Laws and as would not reasonably be expected to result in Liability under Environmental Laws.

(e) Neither the Company nor any Seller with respect to the Company, has assumed or undertaken any Liability or obligation of any other Person with respect to Environmental Laws.

(f) There has been no environmental investigation, study, audit, test, review or other analysis conducted in relation to the current or prior business of the Company or any property or facility now or previously owned, leased or operated by the Company that is in the possession or control of the Sellers or the Company that has not been made available to the Buyer at least 30 days before the date hereof.

Section 5.23 Accounts Receivable. All of the outstanding accounts receivable shown on the Financial Statements have been valued in accordance with GAAP and represent, as of the respective dates thereof, valid Liabilities arising from sales actually made or services actually performed, in each case, in the ordinary course of business. All of the outstanding accounts receivable deemed uncollectible have been reserved against on the Financial Statements in accordance with GAAP. The accounts receivable created since the date of the latest Audited Balance Sheet have been created in the ordinary course of business. Since the date of the latest Audited Balance Sheet, the Company has not canceled, or agreed to cancel, in whole or in part, any accounts receivable except in the ordinary course of business.

Section 5.24 Inventory. Except as set forth on Schedule 5.24, all inventory reflected on the Financial Statements consists of a quality and quantity usable in the business of the Company consistent with past practices and have been valued in accordance with GAAP. All of the inventory deemed obsolete, excessive or below-standard quality have been reserved against, written off or written down to net realizable value on the Financial Statements and valued in accordance with GAAP.

Section 5.25 Affiliate Transactions. None of the Sellers, any Affiliate of any Seller, any current or former officer, director, holder of Capital Stock or Affiliate of the Company and any Related Party of any of the foregoing Persons is a party to or the beneficiary of any Contract with the Company or owns or has any interest in any property used by the Company.

Section 5.26 Brokers. Except for the fees, costs and expenses set forth on Schedule 5.26, which will be paid by the Company at or prior to the Closing and shall be deemed a Transaction Expense hereunder if not so paid by the Company prior to Closing, there are no claims for brokerage, finders' or other advisory fees, costs, expenses, commissions or similar payments in connection with the Contemplated Transactions based on any arrangement or Contract made by or on behalf of the Company.

Section 5.27 Recalls; Product Liability.

(a) Schedule 5.27(a) identifies each product recall (whether voluntary or compulsory) and the circumstances surrounding each recall, involving any products of the Company in the past three years. No product manufactured, sold, leased, licensed or delivered by the Company is currently subject to a recall required by any Governmental Authority and the Company does not have any plans to initiate a voluntary product recall.

(b) Except as set forth on Schedule 5.27(b)(i), there are no existing or, to the Knowledge of the Company, threatened, product Liability, warranty or other similar claims against the Company or otherwise alleging that any product of the Company is defective or fails to meet any product or service warranties or guaranties. Schedule 5.27(b)(ii) lists all of the proceedings that the Company has settled in the past three years that is against or involving the Company concerning any product of such Company manufactured, shipped, sold or delivered by or on behalf of the Company relating to or resulting from an alleged defect in design, manufacture, materials or workmanship of any such product.

Section 5.28 Exclusivity of Representations and Warranties. Except as expressly set forth in this Article V and in Article IV, neither the Company nor any Person on behalf of the Company has made, nor are any of them making, any representation or warranty, written or oral, express or implied, at law or in equity, including with respect to merchantability or fitness for any particular purpose, in respect of the Company or the Company's business, including any representations or warranties about the accuracy or completeness of any information or documents previously provided, and any other such representations and warranties are hereby expressly disclaimed.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF THE BUYER

Except as set forth in the Disclosure Schedules, the Buyer represents and warrants to the Sellers as follows:

Section 6.1 Corporate Organization. The Buyer has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of New York. The Buyer has the requisite power and authority to own or lease its properties and to conduct its business as it is now being conducted. The Buyer is duly licensed or qualified and in good standing as a foreign corporation in all jurisdictions in which it is required to be so licensed or qualified, except where failure to be so licensed or qualified would not have a material adverse effect on the ability of the Buyer to enter into this Agreement or consummate the Contemplated Transactions.

Section 6.2 Due Authorization. The Buyer has all requisite power and authority to execute and deliver each Transaction Document to which it is or will be a party and to consummate the Contemplated Transactions. The execution and delivery by the Buyer of each Transaction Document to which it is or will be a party and the consummation of the Contemplated Transactions has been duly and validly authorized and approved by the board of directors of the Buyer, and no other proceeding, consent or authorization on the part of the Buyer is necessary to authorize any Transaction Document to which it is or will be a party or the Contemplated Transactions. Each Transaction Document to which the Buyer is or will be a party, has been or will be duly and validly executed and delivered by the Buyer and constitutes, or will constitute, a legal, valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms, subject to the Enforceability Exceptions.

Section 6.3 No Conflict. The execution and delivery by the Buyer of each Transaction Document to which it is or will be a party and the consummation of the Contemplated Transactions do not and will not:

(a) breach, violate, conflict with or result in a default under any provision of, or constitute an event that, after notice or lapse of time or both, would result in a breach or violation of or conflict or default under, or accelerate the performance required, in each case in any material respect, or result in the termination of or give any Person the right to terminate, any material Contract to which the Buyer is a party or by which any of the Buyer's assets are bound;

(b) assuming compliance with the matters addressed in Section 6.4, breach, violate, conflict with or result in a default under, any provision of, or constitute an event that, after notice or lapse of time or both, would result in a breach or violation of or, conflict or default under, in each case in any material respect, any applicable material Law or Order binding upon or applicable to the Buyer;

(c) violate or conflict with the Organizational Documents of the Buyer; or

(d) result in the creation or imposition of any material Lien, with or without notice or lapse of time or both, on any assets of the Buyer.

Section 6.4 No Authorization or Consents Required. Assuming the truth and completeness of the representations and warranties of the Sellers and the Company contained in this Agreement, no notice to, consent, approval or authorization of or designation, declaration or filing with any Governmental Authority or other Person is required by the Buyer with respect to the Buyer's execution or delivery of any Transaction Document to which it is in will be a party or the consummation of the Contemplated Transactions, other than compliance with any applicable requirements of the HSR Act.

Section 6.5 Financial Capability. At the Closing, Buyer will have sufficient funds to pay the aggregate Purchase Price contemplated by this Agreement and the other Transaction Documents.

Section 6.6 Litigation. There are no pending or, to the Knowledge of the Buyer, threatened Actions before or by any Governmental Authority against the Buyer that would reasonably be expected to have, individually or in the aggregate, a material adverse effect on the ability of the Buyer to enter into and perform its obligations under any Transaction Document to which it is or will be a party.

Section 6.7 Investment Purpose. The Buyer is acquiring the Interests for its own account with the present intention of holding such securities for investment purposes and not with a view to, or for sale in connection with, any distribution of such securities in violation of any federal or state securities Laws.

Section 6.8 Brokers. Except for the fees, costs and expenses set forth on Schedule 6.8, which will be paid by the Buyer or its Affiliate at or prior to the Closing, there are no claims for brokerage, finders' or other advisory fees, costs, expenses, commissions or other similar payments in connection with the transactions contemplated by this Agreement based on any Contract made by the Buyer or any of its Affiliates.

Section 6.9 Reliance . Buyer acknowledges and agrees that, except as set forth in Articles IV and V, neither Buyer nor any of Buyer's agents, employees, advisors or representatives is relying on any other representation or warranty of the Company or any other Person in connection with the execution of this Agreement and the consummation of the transactions contemplated hereby, including regarding the accuracy or completeness of any such other representations or warranties or the omission of any material information, whether express or implied.

ARTICLE VII

COVENANTS

Section 7.1 Conduct of Business of the Company. From the date of this Agreement until the Closing, the Company shall conduct its business and operations in the ordinary course of business and use its commercially reasonable efforts to (i) preserve intact its present business organization, (ii) maintain in effect all Company Licenses consistent with past practices, (iii) keep available the services of its directors, officers and key employees, (iv) maintain existing relationships with its customers, suppliers, distributors, licensors, licensees, lenders and others having material business relationships with it, consistent with past practices, (v) preserve in good operating condition the Tangible Property, (vi) manage its working capital (including the timing of collection of accounts receivable and of the payment of accounts payable and the management of inventory) in the ordinary course of business and (vii) comply in all material respects with all Laws applicable to the Company. Without limiting the generality of the foregoing, except as set forth in Schedule 7.1, the Company shall not, directly or indirectly (whether by merger, consolidation or otherwise):

(a) amend its Organizational Documents;

(b) split, combine or reclassify any of its Capital Stock or form any Subsidiaries;

(c) declare, set aside or pay any dividend or other distribution in respect of its Capital Stock;

(d) redeem, repurchase or otherwise acquire any of its Capital Stock;

(e) issue, deliver, pledge, sell, dispose of or encumber any of its Capital Stock (including pursuant to the exercise of any Options in the ordinary course of business);

(f) amend any term of any of its Capital Stock;

(g) acquire, directly or indirectly, any assets, securities, properties, interests or businesses, other than supplies in the ordinary course of business;

(h) sell, lease or otherwise transfer, or create or incur any Lien on, any of its assets, securities, properties or interests, other than in the ordinary course of business;

(i) acquire, sell, lease, license, sublicense, transfer, pledge, encumber, grant or dispose of the Company Intellectual Property, or enter into any material Contract, or take any action, with respect to the Company Intellectual Property (in each case outside the ordinary course of business), or do any act or knowingly omit to do any act whereby the Company Intellectual Property may become invalidated, abandoned, unmaintained, unenforceable or dedicated to the public domain (in each case outside the ordinary course of business);

(j) incur any capital expenditures or any Liabilities in respect thereof in excess of $200,000 in the aggregate;

(k) make any loans, advances or capital contributions to, or investments in, any other Person;

(l) create, incur, assume, suffer to exist or otherwise be liable with respect to any Indebtedness;

(m) except as required by the express terms of this Agreement, or with respect to any Benefit Plan disclosed on Schedule 5.19(a) as in effect as of the date hereof, as required by its terms or as necessary to cause its compliance with applicable Law, (A) adopt, establish, enter into, amend or terminate or increase the benefits under any Company Plan or other Benefit Plan that would be a Company Plan if in effect on the date of this Agreement, (B) increase the compensation or benefits of any Service Provider other than in the ordinary course of business and consistent with past practice with respect to Service Providers whose annual compensation is less than $75,000, promote any existing employee to a senior management position or hire any new employee with a senior management position, (C) grant or increase any severance, retention, change-of-control, equity award, deferred compensation, bonus or other incentive compensation, or similar payments or benefits to any Service Provider, (D) amend the terms of any outstanding Options or other equity awards, (E) take any action to accelerate the vesting or payment, or fund or in any other way secure the payment, of compensation or benefits under any Benefit Plan or any Option or other equity award, other than pursuant to the Contemplated Transactions, (F) grant or forgive any loans to any Service Provider, (G) hire or engage any employee or independent contractor with annual compensation in excess of $150,000, other than in the ordinary course of business and consistent with past practice, (H) terminate any officer or employee (other than for cause) with annual compensation in excess of $150,000 or (I) adopt, enter into, amend or terminate any collective bargaining agreement or other similar arrangement relating to unions, works councils, similar entities or other organized employees;

(n) effect any “mass layoff” or “plant closing” (as defined by the WARN Act);

(o) extend credit or renew or forgive a previously existing extension of credit (either directly or indirectly) for its own benefit or the benefit of the Sellers, or the Sellers’ Related Parties, other than in the ordinary course of business pursuant to agreements existing and made available to the Buyer as of the date hereof;

(p) enter into any Contract that limits or otherwise restricts in any material respect the Company or any Affiliate of the Company or any successor thereto or that would reasonably be expected, after the Closing, to limit or restrict in any material respect the Company, the Buyer or any of their respective Affiliates, from engaging or competing in any line of business, in any location or with any Person;

(q) enter into, amend or modify in any material respect or terminate any distribution agreements other than in the ordinary course of business;

(r) enter into, amend or modify in any material respect or terminate any Material Contract, in each case (except with respect to any distribution agreements) other than in the ordinary course of business, or otherwise waive, release or assign any of its material rights, claims or benefits thereto;

(s) change any methods of accounting, except as required by changes in GAAP as agreed to by its independent public accountants;

(t) settle (i) any material Action involving or against it, (ii) any stockholder Action against it or any of its officers or directors or (iii) any Action that relates to the Contemplated Transactions; or

(u) agree, commit or offer to do any of the foregoing.

NewCo shall not incur any Liabilities or otherwise take any actions other than as expressly required to consummate the transactions contemplated hereby.

Section 7.2 Access to Information. From the date of this Agreement until the Closing Date, the Company shall (a) give the Buyer, its counsel, financial advisors, auditors and other representatives reasonable access during normal business hours to the officers, employees, accountants, agents, properties, offices and other facilities and to all books, records, contracts and other assets of the Company; (b) furnish to the Buyer, its counsel, financial advisors, auditors and other representatives such information relating to the Company as may be reasonably requested; (c) instruct the employees, counsel, accountants and other advisors of the Company to reasonably cooperate with the Buyer in its investigation of the Company; and (d) furnish promptly to the Buyer such other information concerning the business and properties of the Company as Buyer may reasonably request from time to time. Any information provided pursuant to this Section 7.2 shall be subject to the terms of the Non-Disclosure Agreement, dated as of June 27, 2018, between the Buyer and the Company (as amended, the "Confidentiality Agreement"). The Confidentiality Agreement shall terminate automatically, without any action by any party thereto, upon the Closing.

Section 7.3 Payoff of Credit Facility. The Company shall arrange for customary payoff letters and instruments of discharge providing for the payoff, discharge and termination on the Closing Date of all the then-outstanding indebtedness under the JPM Facility (the "Debt Payoff Letter") to be delivered to the Buyer no later than three (3) Business Days prior to the Closing Date, and shall deliver the Debt Payoff Letter in accordance with the terms of the JPM Facility to JPM no later than three (3) Business Day prior to the Closing Date (provided that such prepayment and termination notices may be conditional on the occurrence of the Closing).

Section 7.4 Inventory Count. Prior to the Closing, the Sellers shall, and shall cause the Company, to afford Buyer and Buyer's representatives access during normal business hours to the facilities of the Company or any third party location where any Inventory of the Company is stored, in each case, for purposes of conducting a physical inventory count and examination in a manner consistent with Buyer's standard practices in order to determine the Inventory at or immediately prior to Closing to be included in Current Assets (the "Physical Inventory"). The Physical Inventory shall be conducted jointly by the Buyer and the Sellers. In addition, the Sellers shall, and shall cause the Company, to take all reasonable steps to cooperate with Buyer and Buyer's representatives in connection with the Physical Inventory.

Section 7.5 Confidentiality. After the Closing, each Seller and Founder shall hold and shall cause its Affiliates to hold, and each Seller and Founder shall use its reasonable efforts to cause its and its Affiliates' respective officers, directors, employees, accountants, counsel, consultants, advisors and agents to hold, in confidence, unless compelled to disclose by Order or Law, all confidential documents and information concerning the Company, the Buyer or their respective Affiliates and shall not use such information for any purpose other than enforcing their rights hereunder, except to the extent that such information can be shown by such Seller or Founder to have been (a) in the public domain through no fault of such Seller or Founder or its Affiliates or (b) later lawfully acquired by such Seller or Founder from sources other than the Buyer or those related to its prior ownership of the Company and not subject to a confidentiality obligation. The obligation of each Seller or Founder to hold and to cause its Affiliates to hold any such information in confidence shall be satisfied if it exercises at least the same care with respect to such information as it would take to preserve the confidentiality of its own similar information. The Sellers and Founders, as applicable, shall be liable for the breach of this Section 7.5 by any of their respective Affiliates or their or their Affiliates' respective officers, directors, employees, accountants counsel, consultants, advisors or agents, with such breach determined as if such Persons were Sellers or Founders, as applicable, hereunder.

Section 7.6 Non-Competition; Non-Solicitation.

(a) In order for the Buyer to have and enjoy the full benefit of the business of the Company, and as a material inducement to the Buyer to enter into this Agreement (without such inducement the Buyer would not have entered into this Agreement), for a period of five years commencing on the Closing Date (the "Restricted Period"; provided, that the Restricted Period shall be tolled during (and shall be deemed automatically extended by) any period in which the Founders are determined by a court of competent jurisdiction to be in violation of any of the provisions of this Section 7.6), each Founder shall not, directly or indirectly (whether by himself, through an Affiliate, in partnership or conjunction with, or as an employee, officer, director, manager, member, owner, consultant or agent of, any other Person):

(i) undertake, carry on or have a financial or other interest in, advise, assist any other Person in connection with the operation of, participate or engage in the design, development, production, promotion, marketing, sale, or servicing of, any Competing Business anywhere in the world where the Company or any of its Affiliates is currently engaged or preparing to engage in the Competing Business as of the Closing Date; provided, however, that a Founder may be employed by or perform services for a division, entity, or subgroup of any company or entity that engages in a Competing Business so long as neither such Founder nor such division, entity, or subgroup engages directly in the Competing Business;

(ii) solicit, entice, encourage or intentionally influence, or attempt to solicit, entice, encourage or influence, any employee of the Buyer, the Company or any of their respective Affiliates to resign or leave the employ of the Buyer, the Company or any of their respective Affiliates or otherwise hire, employ, engage or contract any such employee to perform services other than for the benefit of the Buyer, the Company or any of their respective Affiliates; provided, however, the restrictions herein shall not apply to any employee who (1) is responding to a general employment solicitation such as a newspaper or job fairs or (2) was terminated for a period of at least six (6) months prior to the commencement of employment discussions with such Founder; or

(iii) solicit, entice, encourage or influence, or attempt to solicit, entice, encourage or influence, any customer of the Buyer, the Company or any of their respective Affiliates (including any Person who has been a customer of the Company at any time during the period of 12 months before the Closing) to negatively alter, reduce or terminate its business relationship with the Buyer, the Company or any of their respective Affiliates.

(b) Notwithstanding Section 7.6(a), none of the following activities shall constitute a violation of Section 7.6(a): (i) the advertisement of job openings by use of newspapers, magazines, the internet and other media not directed at individual prospective employees, consultants or independent contractors; or (ii) a Founder holding either (x) less than 5% of the outstanding securities of any class of any publicly-traded securities of a company that is engaged in a Competing Business or (y) less than 5% of the outstanding securities of any class of securities of a private company that is engaged in a Competing Business. Furthermore, and for the avoidance of doubt, it shall not constitute a violation of Section 7.6(a) for the Founders to engage in, or provide services to, the businesses and activities set forth on Schedule 7.6(b).

(c) In order for the Buyer to have and enjoy the full benefit of the business of the Company, and as a material inducement to the Buyer to enter into this Agreement (without such inducement the Buyer would not have entered into this Agreement), from and after the Closing Date, each Founder shall not (whether by himself, through an Affiliate, or as an employee, officer, director, manager, member, owner, consultant or agent of, any other Person), disparage or encourage or induce others to disparage the Buyer, the Company or any of their respective employees, directors,

affiliate entities, divisions, equity-holders, owners, managers, successors, or assigns (collectively the "Company Protected Group"). From and after the Closing Date, both the Buyer and Company shall not (whether by themselves or through an Affiliate), disparage any Founder (collectively the "Founder Protected Group"), and the Buyer and the Company shall not encourage, induce, or permit any of their respective employees, officers, directors, managers, members, owners, consultant, or agents to disparage any member of the Founder Protected Group. For purposes hereof, the term disparage includes direct or indirect comments or statements to the press or to any other Person that are intended to adversely affect in any manner the business, reputation, or goodwill, as applicable, of any member of the Company Protected Group or the Founder Protected Group; provided that the foregoing shall not prevent a Person from making any truthful statement or comment in good faith that is required by any Law or Order.

(d) Notwithstanding anything to the contrary set forth herein (including Section 14.8), in the event of a breach of any of the provisions of Section 7.5, 7.6(a) or 7.6(c) (the "Restrictive Covenants"):

(i) the Buyer and its Affiliates (including the Company) shall have the right and remedy, without regard to any other available remedy, to (A) have the Restrictive Covenants specifically enforced by any court of competent jurisdiction and (B) have issued an injunction restraining any such breach without posting of a bond; it being understood that any breach of any of the Restrictive Covenants would cause irreparable and material Losses to the Buyer and its Affiliates (including the Company), the amount of which cannot be readily determined and as to which neither Buyer nor any of its Affiliates (including the Company) will have any adequate remedy at law or in damages;

(ii) it is the desire and intent of the parties hereto that the Restrictive Covenants be enforced to the fullest extent permissible under the Laws, Orders and public policies applied in each jurisdiction in which enforcement is sought and if any Restrictive Covenant shall be adjudicated finally to be invalid or unenforceable, such Restrictive Covenant shall be deemed amended to the extent necessary in order that such provision be valid and enforceable, the remainder of such Restrictive Covenant shall not thereby be affected and shall be given full effect without regard to invalid portions and such amendment shall apply only with respect to the operation of the Restrictive Covenant in the particular jurisdiction in which such adjudication is made; and

(iii) the parties acknowledge and agree that the Restrictive Covenants are necessary for the protection and preservation of the value and the goodwill of the Buyer's and the Company' businesses and are reasonable and valid in geographical and temporal scope and in all other respects.

Section 7.7 Public Announcements. The initial press release with respect to this Agreement and the Contemplated Transactions shall be a release mutually agreed to by the Sellers' Representative and Buyer. Thereafter, no party hereto will issue or cause the publication of any press release or other public announcement with respect to this Agreement or the Contemplated Transactions without the prior written consent of the Sellers' Representative and the Buyer; provided, however, that nothing herein will prohibit any party from issuing or causing publication of any such press release or public announcement to the extent that such disclosure is required by Law or Order or any rule of any national securities exchange, upon advice of counsel, in which case the party making such determination will, if practicable under the circumstances, use reasonable efforts to allow the other parties reasonable time to comment on such release or announcement in advance of its issuance or publication.

Section 7.8 Filings and Authorizations; Consummation.

(a) Subject to the terms and conditions of this Agreement, the Sellers, the Company and the Buyer shall use their respective commercially reasonable efforts (which shall not require any Seller, the Company or the Buyer to make any payment or concession to, or commence or threaten to commence any Action against, any Person in connection with obtaining such Person's consent) to take, or cause to be taken, all action and to do, or cause to be done, and assist and cooperate with each other in doing, all things necessary, proper or advisable under applicable Law to obtain the authorizations, consents, Orders and approvals necessary for their execution and delivery of, and the performance of their obligations pursuant to each Transaction Document and to consummate the Contemplated Transactions as soon as practicable after the execution of this Agreement, including (i) promptly making any required submissions and filings under applicable Competition Laws with respect to the Contemplated Transactions, (ii) promptly furnishing information required in connection with such submissions and filing under such Competition Laws, (iii) keeping the other parties reasonably informed with respect to the status of any such submissions and filings under Competition Laws, including with respect to: (A) the receipt of any non-action, action, clearance, consent, approval or waiver, (B) the expiration of any waiting period, (C) the commencement or proposed or threatened commencement of any investigation, litigation or administrative or judicial action or proceeding under Competition Laws and (D) the nature and status of any objections raised or proposed or threatened to be raised under Competition Laws with respect to the Contemplated Transactions, (iv) filing all notices or other documentation and obtaining all actions or non-actions, approvals, consents, waivers, registrations, permits, authorizations and other confirmations from any Governmental Authority or third party necessary, proper or advisable to consummate the Contemplated Transaction as soon as practicable (whether or not such approvals, consents, waivers, registrations, permits, authorizations and other confirmations are conditions to the consummation of the Contemplated Transactions pursuant to Article IX and Article X), and (v) supplying the other parties with any information that may be reasonably required in order to effectuate the taking of such actions.

(b) In furtherance of and without limiting Section 7.8(a), the Sellers, the Company and the Buyer shall use their respective commercially reasonable efforts to, if required by applicable Law, within five (5) Business Days following the date hereof, file or supply, or cause to be filed or supplied in connection with the transactions contemplated herein, all notifications and information required to be filed or supplied pursuant to the HSR Act, and the Buyer shall pay all filing fees, application fees or other fees of the applicable Governmental Authority associated with the HSR Act filing.

(c) Each party hereto shall promptly inform the other parties of any material communication from the Federal Trade Commission, the Department of Justice or any other Governmental Authority regarding any of the Contemplated Transactions. If any party hereto or any Affiliate thereof receives a request for additional information or documentary material from any such Governmental Authority with respect to the Contemplated Transactions, then such party shall use its commercially reasonable efforts to make, or cause to be made, as soon as reasonably practicable and after consultation with the other parties hereto, an appropriate response in compliance with such request. Each party hereto will advise the other parties promptly in respect of any understandings, undertakings or agreements (oral or written) which such party proposes to make or enter into with the Federal Trade Commission, the Department of Justice or any other Governmental Authority in connection with the Contemplated Transactions.

(d) Buyer shall not enter into any transaction or any agreement to effect any transaction (including any merger or acquisition) that would reasonably be expected to make it materially more difficult to (i) obtain the expiration and termination of the waiting period under the HSR Act applicable to the Contemplated Transactions, or (ii) obtain all permits of Governmental Authorities necessary for the consummation of the Contemplated Transactions.

(e) Notwithstanding anything to the contrary herein, none of Buyer or any of its Affiliates shall be required to (i) commence or threaten to commence litigation, (ii) agree to hold separate, divest, license or cause a third party to purchase, any of the assets or businesses of Buyer, the Company or any of their respective Affiliates (including, for clarity, any Subsidiary after the Closing) or (iii) otherwise agree to any restrictions on the businesses of Buyer, the Company or any of their respective Affiliates (including, for clarity, any Subsidiary after the Closing) in connection with avoiding or eliminating any restrictions to the consummation of the Contemplated Transactions under any applicable Law.

Section 7.9 SEC Filings.

(a) Both before and after the Closing, the Company shall use commercially reasonable efforts to:

(i) prepare the Financial Statements, and such other financial information and reports of the Company and its Subsidiaries (prepared on a basis consistent with Articles 3 and 10 of Regulation S-K), which are requested by the Buyer (collectively, the "Required Financial Statements");

(ii) assist the Buyer in the preparation of the pro forma financial information with respect to the business combination contemplated by this Agreement required by Article 11 of Regulation S-X of the SEC; and

(iii) cause the Company's auditors (the "Auditors") to cooperate with the Buyer to the extent necessary in connection with this Section 7.9, including to deliver to the Buyer any comfort letters and consent with respect to the Required Financial Statements;

(b) The Company shall not be required to incur any out-of-pocket fees and expenses, including any fees charged by the Auditors pursuant to this Section 7.9 for which the Buyer does not agree to reimburse it.

Section 7.10 Exclusivity. Until the earlier of the Closing and such time as this Agreement is terminated in accordance with Article XI, except for the Contemplated Transactions, the Company and each of the Sellers shall not, and each shall cause its and its Affiliates' respective directors, officers and other representatives not to, directly or indirectly, (a) solicit, initiate or knowingly encourage the initiation of any Acquisition Proposal or (b) participate in any discussions or negotiations or enter into any Contract with any third party regarding, or furnish to any third party any information in connection with, any Acquisition Proposal. The Sellers and the Company shall, and shall cause their respective Affiliates, directors, officers, managers, employees, investment bankers and other representatives to, promptly following the date hereof, terminate any and all negotiations or discussions with any third party regarding any proposal concerning any Acquisition Proposal and shall request any such third party to return or destroy any confidential information of the Company in accordance with, and subject to, the terms of any confidentiality agreement between the Company and such third party.

Section 7.11 Further Assurances. From the date hereof until the earlier of the Closing or the termination of this Agreement in accordance with Article XI, each of the parties hereto shall execute such documents and perform such further acts as may be reasonably required to carry out the provisions hereof and of each other Transaction Document and the Contemplated Transactions. Each party shall, on or prior to the Closing Date, use its commercially reasonable efforts to fulfill or obtain the fulfillment of the conditions precedent to the consummation of the Contemplated Transactions including the execution and delivery of any documents, certificates, instruments or other papers that are reasonably required for the consummation of the Contemplated Transactions.

Section 7.12 Transfer of Interests. Except for the Contemplated Transactions from the date hereof until the Closing, each Seller agrees that it shall not transfer beneficial or record ownership of the Interests to any Person without the prior written consent of the Buyer.

Section 7.13 Termination of Affiliate Transactions. On or before the Closing Date, except for liabilities relating to employment relationships and the payment of compensation and benefits set forth on Schedule 5.19(a), all Liabilities between the Company, on the one hand, and any of the Sellers, any Affiliate of any Seller, any current or former officer, director, holder of Capital Stock or Affiliate of the Company and any Related Party of any of the foregoing Persons (but not including the Company), on the other hand, including any and all Contracts (other than any Transaction Document) between the Company, on the one hand, and one or more of its Affiliates (including any Seller but not including the Company), on the other hand, that (i) have been entered into between the date hereof and the Closing Date or (ii) were entered into prior to the date hereof but not made available to the Buyer, shall be terminated in full, without any Liability to the Buyer, the Company or any of their respective Affiliates following the Closing.

Section 7.14 Resignations. Company shall cause to be delivered to the Buyer on the Closing Date the resignations of those managers, directors and officers of the Company of whom the Buyer shall have notified the Seller at least three Business Days prior to the Closing Date.

Section 7.15 Release. Effective upon the Closing, each Seller and Founder, on behalf of itself and its Affiliates and each of their respective advisors, successors and assigns (collectively, the "Founder Releasing Parties"), unconditionally and irrevocably waives, releases and forever discharges Buyer, the Company and each of their respective Affiliates (collectively, the "Buyer Released Parties"), of and from any and all claims that the Founder Releasing Parties, or any of them, now have, ever had, or at the Closing may have, or hereafter can, shall or may have, against the Buyer Released Parties, or any of them, for, upon or by reason of any matter, cause or thing whatsoever, from the beginning of time through the Closing Date, arising out of or relating to the organization, management or operation of the businesses of the Company (the "Released Claims"); provided, however, that the Founder Releasing Parties are not releasing, and the foregoing release shall not cover (and the definition of Claims shall not include): (x) any rights or protections of any Founder Releasing Party to indemnification, advancement of expenses, limitation of liability, exculpation or insurance in his or her capacity as an officer or director of the Company in accordance with Section 7.16 of this Agreement, or (y) any Claim under or relating to (1) this Agreement or any Transaction Document, and (2) any rights to which such Founder Releasing Party is entitled by virtue of his or her status as an employee or consultant of the Company, including but not limited to compensation that remains unpaid or employee benefits that remain unpaid. Each Seller and Founder, on behalf of each of its Founder Releasing Parties, hereby agrees that if any Founder Releasing Party hereafter commences, joins in, or in any manner seeks relief through any suit arising out of, based upon, or relating to any claim released hereunder, or in any manner asserts against any Buyer Released Party any claim released hereunder, then such Founder Releasing Parties will pay to such Buyer Released Party, in addition to all other direct or indirect Losses suffered by such Buyer Released Party as a result of such suit or claim, all attorneys' fees incurred in defending or otherwise responding to such suit or claim. WITHOUT LIMITATION OF THE FOREGOING, THE FOUNDER RELEASING PARTIES HEREBY WAIVE THE

APPLICATION OF ANY PROVISION OF LAW, INCLUDING CALIFORNIA CIVIL CODE SECTION 1542, THAT PURPORTS TO LIMIT THE SCOPE OF A GENERAL RELEASE. SECTION 1542 OF THE CALIFORNIA CIVIL CODE PROVIDES:

"**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR**."

Section 7.16 Indemnification of Directors and Officers.

(a) Indemnification. From the Closing and for a period of six (6) years thereafter, Buyer agrees not to amend or terminate, as applicable, the Organizational Documents of the Company, or indemnification agreements of the Company, in each case in effect as of the date hereof and disclosed on Schedule 7.16 of the Disclosure Schedules, in any way to reduce or eliminate the rights to indemnification, exculpation or advancement provided by the Company to the present and former officers and directors of the Company (each, together with such person's heirs, executors or administrators, a "D&O Indemnified Person" and collectively, the "D&O Indemnified Persons") (subject to any applicable exceptions or limitations to indemnification or advancement of expenses provided for in the Company's Organizational Documents or such indemnification agreements as of immediately prior to the Closing, or as otherwise provided by applicable Laws); *provided*, *however*, that, for the avoidance of doubt, in the event any claim or claims are asserted or made within such six (6) year period, all such rights to indemnification in respect of any claim or claims shall continue until final disposition of such claim or claims.

(b) D&O Insurance. Prior to the Closing, the Company shall obtain run-off "tail" coverage for the directors' and officers' liability insurance policies and fiduciary liability insurance policies (collectively, "D&O Insurance"), in each case covering Persons who are currently covered by such insurance policies on terms no less favorable than those in effect on the date hereof for a period of at least six (6) years after the Closing; provided, that, (i) Buyer and the Company shall each pay 50% of all tail policy costs and (ii) the Company shall not pay an amount in excess of 200% of the current annual premium for such coverage.

(c) Successors. In the event that, after the Closing , the Company, Buyer or any of their respective successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers all or a substantial portion of its properties and assets to any Person, then, and in either such case, proper provisions shall be made so that the successors and assigns of the Company or Buyer, as the case may be, shall assume the obligations set forth in this Section 7.16.

(d) Benefit. The provisions of this Section 7.16 are intended to be for the benefit of, and shall be enforceable by, each D&O Indemnified Person, his or her heirs, executors or administrators and his or her other representatives and cannot be amended in a manner adverse to a D&O Indemnified Person without such Person's consent. The Parties agree that each D&O Indemnified Person (including his or her heirs, executors or administrators and his or her other representatives) is intended to be, and shall be, a third party beneficiary of this Agreement for the purpose of this Section 7.16.

ARTICLE VIII

TAX MATTERS

Section 8.1 Tax Covenants.

(a) From the date of this Agreement to the Closing Date, the Company shall (and the Sellers shall cause the Company to):

(i) not make, change or revoke any election with regard to Taxes or file any amended Tax Returns or file any claims for Tax refunds; provided, however, that the Reorganization will be consummated as contemplated in the Recitals;

(ii) not make any change in any Tax accounting methods except as may be appropriate to conform to changes in Tax Laws;

(iii) not change any annual tax accounting period;

(iv) not enter into any closing agreement or Tax Sharing Agreement, settle any Tax claim, audit or assessment or surrender any right to claim a Tax refund, offset or other reduction in Tax Liability;

(v) not take any action that would terminate or otherwise revoke the Company's election (the "S-Corporation Election") to be taxed as an S Corporation; provided, however, that the Reorganization will be consummated as contemplated in the Recitals; and

(vi) not fail to take any action if such failure will cause a termination or revocation of the S-Corporation Election.

(b) At least one day before the Closing, the Sellers, NewCo and the Company shall consummate the Reorganization, in form and substance satisfactory to the Buyer.

Section 8.2 Tax Audits and Contests; Cooperation.

(a) After the Closing, except as provided in Section 8.2(c) and Section 8.2(d), the Buyer shall control the conduct, through counsel of its own choosing, of any audit, claim for refund or administrative or judicial proceeding involving any asserted Tax Liability or refund with respect to the Company (any such audit, claim for refund or proceeding relating to an asserted Tax Liability referred to herein as a "Contest").

(b) After the Closing, each party to this Agreement shall promptly notify the other party in writing of any demand, claim or notice of the commencement of any Contest received by such party from any Governmental Authority or any other Person with respect to Taxes; provided, however, that a failure to give such notice will not affect such other party's rights to indemnification under Article XII except to the extent that such party is prejudiced thereby. Such notice shall contain factual information (to the extent known) describing the asserted Loss and shall include copies of any notice or other document received from any Governmental Authority or any other Person in respect of any such asserted Loss.

(c) In the case of a Contest for a Pre-Closing Tax Period for which the amount remaining in the Indemnity Escrow Account (excluding any amounts which are then subject to an unresolved Claims Notice) is reasonably expected to be sufficient to pay the entire amount of the Loss required to be indemnified (including any interest, penalties and other costs expected), the Sellers' Representative (at the expense of the Sellers) shall control the conduct of such Contest, but the Buyer shall have the right to participate in such Contest at its own expense, and the Sellers' Representative shall not settle, compromise or concede any portion of such Contest without the consent of the Buyer, which consent shall not be unreasonably withheld, delayed or conditioned; provided, that if the Sellers' Representative fails to assume control of the conduct of any such Contest within a reasonable period following the receipt by the Sellers' Representative of notice of such Contest, the Buyer shall have the right to assume control of such Contest and shall be permitted to settle, compromise or concede such Contest in its sole discretion.

(d) In the case of (i) a Contest for a Pre-Closing Tax Period for which the amount remaining in the Indemnity Escrow Account (excluding any other amounts which are then subject to an unresolved Claims Notice) is not reasonably expected to be sufficient to pay the entire amount of the Loss required to be indemnified (including any interest, penalties and other costs expected) or (ii) a Contest after the Closing Date for a Straddle Period, the Buyer shall control the conduct of such Contest, but so long as the Sellers have an indemnification obligation under this Agreement for any liability arising from such Contest and there are funds remaining in the Indemnity Escrow Account, the Sellers' Representative shall have the right to participate in such Contest, at the expense of the Seller Parties, and the Buyer shall not settle, compromise or concede such Contest without the consent of the Sellers' Representative, which consent shall not be unreasonably withheld, delayed or conditioned.

(e) The Sellers' Representative and the Buyer shall furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information (including access to books and records) and assistance relating to the Company as is reasonably requested for the filing of any Tax Returns and the preparation, prosecution, defense or conduct of any Contest. The Sellers' Representative and the Buyer shall use commercially reasonable efforts to cooperate with each other in the conduct of any Contest or other proceeding involving or otherwise relating to the Company (or its income or assets) with respect to any Tax and each shall execute and deliver such powers of attorney and other documents as are necessary to carry out the intent of this Section 8.2(e). Any information obtained under this Section 8.2(e) shall be kept confidential, except as may be otherwise necessary in connection with the filing of Tax Returns or in the conduct of a Contest or other Tax Action.

(f) The provisions of this Section 8.2 shall govern any Contest and not Section 12.7 or Section 12.8.

Section 8.3 Preparation of Tax Returns and Payment of Taxes.

(a) Buyer shall prepare (or cause to be prepared), and timely file, all Tax Returns of the Company required to be filed with any Governmental Authority after the Closing Date and shall pay (or cause to be paid) any Taxes due in respect of such Tax Returns. With respect to any Tax Returns filed by Buyer after the Closing Date with respect to any Pre-Closing Tax Period, the Seller Parties shall be responsible for Taxes of the Company for Pre-Closing Tax Periods due in respect of such Tax Returns, except for Taxes taken into account in the calculation of Net Working Capital, out of and solely up to the then remaining balance then on deposit in the Indemnity Escrow Account. In furtherance of the foregoing, the Buyer shall notify the Sellers' Representative of any amounts due from the Sellers in respect of any such Tax Return no later than ten Business Days prior to the date on which such Tax Return is due, and the Sellers' Representative shall cause such payment to be paid to the Buyer from the Indemnity Escrow Account no later than five Business Days prior to the date such Tax Return is due.

(b)

(i) In the case of Tax Returns that are filed with respect to a Pre-Closing Tax Period, the Buyer shall prepare such Tax Returns in a manner consistent with past practice, except as otherwise required by Law, and shall deliver any such Tax Return to the Sellers' Representative for his review and comment at least 30 days prior to the date such Tax Return is required to be filed (or, if such due date is within forty-five (45) days following the Closing Date, as promptly as practicable following the Closing Date) and shall consider in good faith any reasonable comments timely received from the Sellers' Representative. If the Sellers' Representative disputes any item on such Tax Return, the Sellers' Representative shall notify the Buyer of such disputed item (or items) and the basis for its objection within 10 days of receipt of such Tax Return. If the Sellers' Representative does not raise any objections within the 10-day period, then such Tax Return shall become final. If the Sellers' Representative raises an objection within the 10-day period, the Sellers' Representative and the Buyer shall negotiate in good faith for 10 days following the Buyer's receipt of such notice to resolve

such objections. If the Buyer and the Sellers' Representative are unable to resolve all objections during such 10-day period, then any remaining disputes, and only such remaining disputes, shall be resolved by the Accounting Firm. The Accounting Firm shall be instructed to resolve any such remaining disputes in accordance with the terms of this Agreement within 30 days after its appointment. The fees, costs and expenses of the Accounting Firm shall be allocated equally between the Buyer, on the one hand, and the Sellers' Representative (on behalf of the Seller Parties), on the other hand. If the objections are not resolved prior to the time such Tax Return is required to be filed, such Tax Return shall be filed as prepared by the Buyer, with any revisions agreed to by the Buyer and the Sellers' Representative. For the avoidance of doubt, the Buyer's obligations under this Section 8.3(b)(i) shall no longer apply once the balance then on deposit in the Indemnity Escrow Account is equal to zero.

(ii) Notwithstanding the foregoing clause (i), for the avoidance of doubt, after the Closing Date, the Buyer (and any of its Affiliates) shall be permitted to (A) voluntarily approach a state or local taxing authority with respect to Taxes and (B) amend, refile or otherwise modify any Tax Return, in each case, of the Company for a Pre-Closing Tax Period, without the consent of the Sellers' Representative; provided, that, the Buyer shall not be entitled to a recovery under Section 12.4 with respect to actions taken in connection with this Section 8.3(b)(ii).

(c) In the case of Tax Returns that are filed with respect to Straddle Periods, the Buyer shall prepare such Tax Return in a manner consistent with past practice, except as otherwise required by Law.

(d) For the avoidance of doubt, nothing in this Section 8.3 shall provide the Buyer with the right to prepare, file or review any Tax Return of NewCo for any taxable period.

Section 8.4 Straddle Periods. For purposes of this Agreement, in the case of any Taxes of the Company that are payable with respect to a Straddle Period, the portion of any such Taxes for periods or portions thereof ending on or before the Closing Date shall (a) in the case of Taxes that are either (i) based upon or related to income or receipts or (ii) imposed in connection with any sale, transfer or assignment or any deemed sale, transfer or assignment of property (real or personal, tangible or intangible), be deemed equal to the amount that would be payable if the Tax year or period ended on the Closing Date and (b) in the case of Taxes (other than those described in Section 8.4(a)) that are imposed on a periodic basis with respect to the business or assets of the Company or otherwise measured by the level of any item, be deemed to be the amount of such Taxes for the entire Straddle Period (or, in the case of such Taxes determined on an arrears basis, the amount of such Taxes for the immediately preceding Tax period), multiplied by a fraction, the numerator of which is the number of calendar days in the portion of the Straddle Period ending on the Closing Date and the denominator of which is the number of calendar days in the entire Straddle Period. For purposes of clause (a) of the preceding section, any exemption, deduction, credit or other item (including the effect of any graduated rates of Tax) that is calculated on an annual

basis shall be allocated to the portion of the Straddle Period ending on the Closing Date on a pro rata basis determined by multiplying the total amount of such item allocated to the Straddle Period by a fraction, the numerator of which is the number of calendar days in the portion of the Straddle Period ending on the Closing Date and the denominator of which is the number of calendar days in the entire Straddle Period. In the case of any Tax based upon or measured by capital (including net worth or long-term debt) or intangibles, any amount thereof required to be allocated under this Section 8.4 shall be computed by reference to the level of such items on the Closing Date. All determinations necessary to give effect to the foregoing allocations shall be made in a manner consistent with past practice of the Company. The parties hereto will, to the extent permitted by applicable Law, elect with the relevant United States Governmental Authority to treat a portion of any Straddle Period as a short taxable period ending as of the close of business on the Closing Date.

Section 8.5 Conveyance Taxes. The Buyer and Sellers shall each pay 50% of all sales, use, value added, transfer, stamp, registration, documentary, excise, real property transfer or gains or similar Taxes incurred as a result of the Contemplated Transactions and the Buyer shall file all required change of ownership and similar statements.

Section 8.6 FIRPTA Certificate. NewCo shall deliver to the Buyer at the Closing a certificate or certificates, in compliance with Treasury Regulations Section 1.1445-2, certifying that the Contemplated Transactions are exempt from withholding under Section 1445 of the Code.

Section 8.7 Tax Treatment of Reorganization. The parties acknowledge that for U.S. federal income Tax purposes, and applicable state and local tax purposes the following consequences are intended: (i) the Reorganization shall constitute a "reorganization" of the Company into NewCo within the meaning of Section 368(a)(1)(F) of the Code, (ii) this Agreement shall constitute the "plan of reorganization" within the meaning of Treasury Regulations Section 1.368-2(g), (iii) pursuant to Revenue Ruling 2008-18, Situation 1, the Company's original S corporation election shall not terminate but shall continue for NewCo and (iv) the acquisition of the Interests by the Buyer from NewCo shall be treated as a taxable sale or exchange of assets of the Company under Section 1001 of the Code. The parties (x) shall file all Tax Returns in a manner consistent with the foregoing treatment and (y) shall not take any position inconsistent with the foregoing treatment in any Tax Return, in each case, except as required by applicable Law. Each of NewCo and the Company shall include the statement described in Treasury Regulations Section 1.368-3(a) on or with its U.S. federal income Tax Return for the taxable year of the Reorganization. Each of the Company Shareholders shall include the statement described in Treasury Regulations Section 1.368-3(b), with respect to the Reorganization on or with his U.S. federal income Tax Return for the taxable year of the Reorganization, as applicable.

ARTICLE IX

CONDITIONS PRECEDENT TO OBLIGATIONS OF THE BUYER

The obligations of the Buyer to consummate the transactions contemplated by this Agreement are subject to the satisfaction (or waiver by the Buyer in writing) of the following conditions as of the Closing Date:

Section 9.1 Representations and Warranties. Each of the Fundamental Representations shall be true and correct in all respects as of the date hereof and as of the Closing Date (except where the failure of any of the Fundamental Representations to be so true and correct is a result of any *de minimis* inaccuracies or breaches thereof, other than pursuant to Section 4.5 and Section 5.6). Each of the other representations and warranties of the Sellers contained in this Agreement shall be true and correct in all respects (disregarding any references to "material," "material adverse effect," "Material Adverse Effect" or any other materiality qualifications contained in such representations or warranties) as of the date hereof and as of the Closing Date (except with respect to representations and warranties which speak to an earlier date, in which case, as of such earlier date), except, in each case, where the failure of any such representations and warranties to be true and correct has not had or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. .

Section 9.2 Covenants and Agreements. The Company, NewCo and the Sellers shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed and complied with by them prior to or on the Closing Date.

Section 9.3 Material Adverse Effect. Since the date of this Agreement, there shall not have occurred any Material Adverse Effect.

Section 9.4 Officer's Certificate. An executive officer of the Company, on behalf of NewCo and the Company, and each of the Sellers, in respect of their respective representations and warranties, shall have delivered to the Buyer a certificate, signed by such officer and dated as of the Closing Date, certifying as to the matters set forth in Sections 9.1, 9.2, and 9.3.

Section 9.5 Payoff Letter. No later than three (3) Business Days prior to the Closing Date, the Buyer shall have received the Debt Payoff Letter with respect to the JPM Facility, in form and substance reasonably acceptable to the Buyer and JPM.

Section 9.6 HSR Act. With respect to the Contemplated Transactions, all applicable waiting periods under the HSR Act and the applicable foreign Competition Laws shall have expired or been terminated.

Section 9.7 Legal Prohibition. No Law shall be in effect and no Order shall have been entered, in each case that restrains, enjoins or prohibits the performance of all or any part of this Agreement or the consummation of all or any part of the Contemplated Transactions or declares unlawful the Contemplated Transactions or would cause any of the Contemplated Transactions to be rescinded.

Section 9.8 Escrow Agreement. The Sellers' Representative and the Escrow Agent shall have executed and delivered to the Buyer the Escrow Agreement.

Section 9.9 Closing Deliverables. The Buyer shall have received the documents to be provided by the Company or NewCo pursuant to Section 3.2(a).

ARTICLE X

CONDITIONS PRECEDENT TO OBLIGATIONS OF THE SELLERS AND NEWCO

The obligations of the Company, the Sellers and NewCo to consummate the transactions contemplated by this Agreement are subject to the satisfaction (or waiver by the Sellers' Representative in writing) of the following conditions as of the Closing Date:

Section 10.1 Representations and Warranties. Each of the Buyer Fundamental Representations shall be true as of the date hereof and as of the Closing Date (except where the failure of any of the Buyer Fundamental Representations to be so true and correct is a result of any *de minimis* inaccuracies or breaches thereof). Each of the other representations and warranties of the Buyer contained in this Agreement shall be true and correct in all respects (disregarding any references to "material," "material adverse effect," "Material Adverse Effect" or any other materiality qualifications contained in such representations or warranties) as of the date hereof and as of the Closing Date (except with respect to representations and warranties which speak to an earlier date, in which case, as of such earlier date), except, in each case, where the failure of any such representations and warranties to be true and correct has not had or would not reasonably be expected to have, individually or in the aggregate, a Buyer Material Adverse Effect.

Section 10.2 Covenants and Agreements. The Buyer shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed and complied with by it prior to or on the Closing Date.

Section 10.3 Officer's Certificate. The Buyer shall have delivered to the Company a certificate, signed by an executive officer of the Buyer and dated as of the Closing Date, certifying as to the matters set forth in Sections 10.1 and 10.2.

Section 10.4 HSR Act. With respect to the Contemplated Transactions, all applicable waiting periods under the HSR Act and the applicable foreign Competition Laws shall have expired or been terminated.

Section 10.5 Legal Prohibition. No Law shall be in effect and no Order shall have been entered, in each case that restrains, enjoins or prohibits the performance of all or any part of this Agreement or the consummation of all or any part of the Contemplated Transactions or declares unlawful the Contemplated Transactions or would cause any of the Contemplated Transactions to be rescinded.

Section 10.6 Escrow Agreement. The Buyer and the Escrow Agent shall have executed and delivered to the Sellers' Representative the Escrow Agreement..

ARTICLE XI

TERMINATION

Section 11.1 Termination. This Agreement may be terminated on or prior to the Closing Date as follows:

(a) by the mutual written consent of the Buyer and the Sellers;

(b) by the Buyer (if it is not then in material breach of its representations, warranties, covenants or agreements under this Agreement), upon written notice to the Sellers, if there has been a material violation, breach or inaccuracy of any representation, warranty, covenant or agreement of the Company or any Seller contained in this Agreement, which violation, breach or inaccuracy would cause any of the conditions set forth in Section 9.1 or 9.2, not to be satisfied, and such violation, breach or inaccuracy has not been waived by the Buyer or cured by the Company or the Sellers, as applicable, within 15 Business Days after receipt by the Sellers of written notice thereof from the Buyer or is not reasonably capable of being cured prior to the Termination Date;

(c) by the Sellers (if none of the Sellers or the Company is then in material breach of its representations, warranties, covenants or agreements under this Agreement), upon written notice to the Buyer, if there has been a material violation, breach or inaccuracy of any representation, warranty, agreement or covenant of the Buyer contained in this Agreement, which violation, breach or inaccuracy would cause any of the conditions set forth in Section 10.1 or Section 10.2 not to be satisfied, and such violation, breach or inaccuracy has not been waived by the Sellers or cured by the Buyer within 15 Business Days after receipt by the Buyer of written notice thereof from the Sellers or is not reasonably capable of being cured prior to the Termination Date;

(d) by the Buyer or the Sellers, upon written notice to the other, if the transactions contemplated hereby have not been consummated on or before November 1, 2018 (the "Termination Date"); provided that neither party shall be entitled to terminate this Agreement pursuant to this Section 11.1(d) if such party's Willful Breach of this Agreement has prevented or materially delayed the consummation of the transactions contemplated hereby; or

(e) by the Buyer or the Sellers, upon written notice to the other, if a court of competent jurisdiction or any other Governmental Authority shall have issued a final, non-appealable Order preventing or otherwise prohibiting the consummation of the Contemplated Transactions.

Section 11.2 Survival After Termination. If this Agreement is terminated in accordance with Section 11.1, this Agreement shall become void and of no further force and effect; except that the provisions of this Section 11.2, Section 11.3 and Article XIV (Miscellaneous) shall survive the termination of this Agreement and that nothing herein shall relieve any party from any liability for any Willful Breach of the provisions of this Agreement prior to such termination.

Section 11.3 Specific Performance. The parties hereto agree that irreparable damage would occur in the event that the provisions of this Agreement were not performed in accordance with their specific terms. Accordingly, it is hereby agreed that the parties hereto shall be entitled to seek an injunction or injunctions to enforce specifically the terms and provisions hereof in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity.

ARTICLE XII

INDEMNIFICATION

Section 12.1 Survival. Each representation and warranty contained in this Agreement shall survive the Closing and continue in full force and effect until 11:59pm Eastern Time on the date that is eighteen (18) months following the Closing Date (the "Release Date"). Each of the covenants and agreements of the parties set forth in this Agreement that are to be performed on or prior to the Closing Date shall terminate on the Closing Date, and the covenants and agreements contained herein requiring performance after the Closing Date shall survive until fully performed in accordance with their terms. Notwithstanding the preceding sentences of this Section 12.1, if the Buyer or the Sellers' Representative, as applicable, delivers written notice to the other party of a claim for indemnification prior to the Release Date, such claim shall survive until finally resolved or judicially determined. For the avoidance of doubt, it is the intention of the parties hereto that the Release Date limits and supersedes any otherwise applicable statutes of limitations that would otherwise apply to such representations and warranties and the right to make indemnification claims in respect thereof under this Agreement, and the Indemnitees hereby waive any claims or defenses based on the applicable statute of limitations to the extent inconsistent with the survival periods set forth herein.

Section 12.2 R&W Insurance Policy. Buyer shall cause the R&W Insurance Policy to be bound and in full force and effect on the same day of the execution of this Agreement, in a form reasonably satisfactory to the Sellers' Representative. Buyer shall not amend, modify or otherwise change, terminate or waive any subrogation, or any other provision, of the R&W Insurance Policy with respect to any Seller in any manner that would be adverse in any material respect to the Sellers, without the prior written consent of the Sellers' Representative. The cost of the R&W Insurance Policy and any fees, costs or deductibles associated therewith shall be borne solely by the Sellers and constitute Transaction Expenses hereunder.

Section 12.3 Indemnification of the Buyer for Seller-Specific Breaches. Subject to the limitations set forth in this Article XII, from and after the Closing, (i) each Seller and (ii) in the case of NewCo, to the extent NewCo fails to, each Company Shareholder, severally and not jointly, pro rata based on such Company Shareholder's relative Transaction Percentage shall indemnify and hold harmless, to the fullest extent permitted by Law, the Buyer and its directors, employees, officers, Affiliates (including the Company), partners, equity holders, counsel, financial advisors, auditors and other representatives and their respective successors and assigns (collectively, the "Buyer Indemnitees") from, against and in respect of any and all Losses based upon, arising out of or incurred as a result of any of the following:

(a) any breach of, or any inaccuracy in, any representation or warranty made by such Seller in Article IV of this Agreement or the certificate delivered with respect thereto; and

(b) any breach or default in performance by such Seller of any of his, her or its covenants or obligations contained in Article VII of this Agreement or the certificate delivered with respect thereto.

Section 12.4 Indemnification of the Buyer for Other Matters. Subject to the limitations set forth in this Article XII, from and after the Closing, (i) NewCo (based on the Company Shareholders' applicable Transaction Percentages and to the extent NewCo fails to, each Company Shareholder, severally and not jointly, based on each Company Shareholder's applicable Transaction Percentage) and (ii) each Seller Party other than the Company Shareholders, based on such Seller Party's applicable Transaction Percentage, shall, severally and not jointly, indemnify and hold harmless, to the fullest extent permitted by Law, the Buyer Indemnities from, against and in respect of any and all Losses based upon, arising out of or incurred as a result of any of the following:

(a) any breach of, or any inaccuracy in, any representation or warranty made by the Sellers in Article V of this Agreement or the certificate delivered with respect thereto; and

(b) any breach or default in performance by the Company or NewCo of any of its covenants or obligations required to be performed by or complied with on or prior to the Closing Date contained in Article VII of this Agreement or the certificate delivered with respect thereto.

Section 12.5 Indemnification of Sellers. Subject to the limitations set forth in this Article XII, from and after the Closing, the Buyer shall indemnify and hold harmless, to the fullest extent permitted by Law the Sellers, their Affiliates and their respective successors and assigns (collectively, the "Seller Indemnitees" and together with the Buyer Indemnitees, the "Indemnitees") from, against and in respect of any and all Losses based upon, arising out of or incurred as a result of any of the following:

(a) any breach of, or inaccuracy in, any representation or warranty made by the Buyer in Article VI of this Agreement; and

(b) any breach or default in performance by the Buyer of any covenant or obligation of the Buyer contained in Article VII of this Agreement.

Section 12.6 Limitations on Indemnification.

(a) Notwithstanding anything in this Agreement to the contrary, and subject to Section 12.9, the R&W Insurance Policy shall be the Buyer Indemnitees' sole and exclusive source of recovery for Losses under Section 12.3(a) and Section 12.4(a) (except with respect to the Fundamental Representations); provided, however, that if recovery from the R&W Insurance Policy with respect to Losses under Section 12.3(a) or Section 12.4(a) is subject to a reduction or limitation resulting from a "deductible," "retention" or other similar concept (the "R&W Insurance Deductible"), then, subject to the other limitations in this Article XII, and solely to the extent of such R&W Insurance Deductible, the Buyer Indemnitees shall be entitled to recovery for Losses indemnified under Section 12.3(a) or Section 12.4(a) pursuant to the Indemnity Escrow Account up to the Indemnity Escrow Amount.

(b) No party hereto shall be obligated to indemnify any other Person for the amount of any Losses to the extent such amount was included in the calculation of the Initial Purchase Price (as adjusted pursuant to Section 2.4 (to the extent so included)).

(c) For purposes of indemnification under this Article XII, each of the representations and warranties that contain any qualifications as to materiality or Material Adverse Effect (or any correlative terms), shall be deemed to have been given as though there were no such qualifications both in determining the Losses attributable to any such breach or inaccuracy and in determining whether there has been any breach of or inaccuracy in, any representations or warranties hereunder.

(d) Notwithstanding anything in this Agreement to the contrary, for the avoidance of doubt, the limitations, if any, on Buyer's right to recover under the R&W Insurance Policy shall be solely as set forth therein and nothing in this Agreement shall impact Buyer's right to recover under the R&W Insurance Policy.

(e) Notwithstanding anything in this Agreement to the contrary, no Buyer Indemnitee may make an indemnification claim for recovery for Losses under Section 12.4(a) (unless such indemnification claim arises from a breach of the Fundamental Representations or a representation or warranty set forth in

Section 5.11) unless and until the Buyer Indemnitees have suffered Losses as a result of or arising out of breaches described in Section 12.4(a) in excess of an amount equal to $200,000 in the aggregate (the "Deductible") (provided that such Buyer Indemnitees shall only be entitled to seek indemnification for Losses to the extent exceeding the Deductible.

Section 12.7 Indemnification Claim Process for Third Party Claims.

(a) All claims for indemnification by either a Seller Indemnitee or Buyer Indemnitee under this Article XII shall be asserted and resolved in accordance with Section 12.7, Section 12.8 and Section 12.13, except for claims arising in whole or in part out of the subject of the First Escrow Account and Second Escrow Account, which shall be asserted and resolved in accordance with Schedules 12.14 and 12.15, respectively, and which First Escrow Amount and Second Escrow Amount shall be the sole and exclusive remedy for Buyer for any and all breaches or alleged breaches of any representations, warranties, covenants or agreements of the parties, or any other provision of this Agreement or the transactions contemplated hereby arising in whole or in part out of the matters that are the subject of the First Escrow Account and Second Escrow Account, respectively.

(b) If a Buyer Indemnitee intends to seek indemnification pursuant to this Article XII (excluding Section 12.14 and Section 12.15) in respect of a Third Party Claim, the Buyer Indemnitee shall promptly notify the Sellers' Representative and, if applicable, the Escrow Agent, in writing of such claim, describing such claim in reasonable detail and the amount or estimated amount of Losses (the "Claims Notice"); provided that failure to give such notification on a timely basis will not affect the indemnification provided hereunder except to the extent that such failure to give such notification results in material prejudice to the Indemnitor with respect to such claim.

(c) If a Seller Indemnitee intends to seek indemnification pursuant to this Article XII (excluding Section 12.14 and Section 12.15) in respect of a Third Party Claim, the Sellers' Representative shall promptly deliver a Claims Notice to the Buyer and, if applicable the Escrow Agent; provided that failure to give such notification on a timely basis will not affect the indemnification provided hereunder except to the extent that such failure to give such notification results in material prejudice to the Indemnitor with respect to such claim.

(d) The Indemnitor shall have thirty (30) days from the date on which the Indemnitor received the Claims Notice to notify the Indemnitee that the Indemnitor desires to control the defense or prosecution of the Third Party Claim and any litigation resulting therefrom with counsel of its choice at the Indemnitor's sole cost and expense; provided, however, that the Indemnitor will not be entitled to assume or continue the defense thereof if (i) the Third Party Claim (A) seeks, in addition to or lieu of monetary damages, any injunctive or other equitable relief, (B) presents, under applicable standards of professional conduct, a conflict on any significant issue between the Indemnitee and the Indemnitor, or (C) relates to or arises in connection with any criminal Action, indictment, allegation or investigation (such Third Party Claim in the case of the foregoing clauses (A), (B) or (C), an "Excluded Third Party Claim"); (ii) in the case of NewCo, the balance then on deposit in the Indemnity Escrow Account is (A)

equal to zero or (B) otherwise insufficient to cover such Third Party Claim, in which case control of the defense or prosecution shall transfer to the Buyer; or (iii) the insurer under the R&W Insurance Policy desires to control and assume the defense of any Third Party Claim, in which case such insurer shall be permitted to do so by providing written notice to Buyer, and if such insurer delivers such written notice to Buyer, neither the Indemnitee or Indemnitor shall be permitted to control and assume the defense of such Third Party Claim as long as the defense of such Third Party Claim is diligently conducted by or on behalf of such insurer; provided, further, that in no event shall such control of the defense be deemed to be an admission or assumption of liability on the part of the Indemnitor. If the Indemnitor assumes the defense of such claim in accordance herewith: (x) the Indemnitee may retain separate co-counsel at its sole cost and expense and participate in the defense of such Third Party Claim, but the Indemnitor shall control the investigation, defense and settlement thereof; (y) the Indemnitee shall not file any papers or consent to the entry of any judgment or enter into any settlement with respect to such Third Party Claim without the prior written consent of the Indemnitor (not to be unreasonably withheld, conditioned or delayed); and (z) the Indemnitor shall not consent to the entry of any judgment or enter into any settlement with respect to such Third Party Claim without the prior written consent of the Indemnitee unless the judgment or settlement provides solely for the payment of money by the Indemnitor (or, in the case of NewCo, the Escrow Agent from the Indemnity Escrow Account) and the Indemnitor makes such payment (subject to the applicable limitations contained herein) and the Indemnitee receives an unconditional release with respect to such Third Party Claim. The parties shall act in good faith in responding to, defending against, settling or otherwise dealing with Third Party Claims, and cooperate in any such defense and give each other reasonable access to all information relevant thereto. Whether or not the Indemnitor has assumed the defense of such Third Party Claim, the Indemnitor will not be obligated to indemnify the Indemnitee hereunder with respect to any settlement entered into or any judgment consented to without the Indemnitor's prior written consent (not to be unreasonably withheld, conditioned or delayed).

(e) If the Indemnitor does not assume the defense of such Third Party Claim within thirty (30) days of receipt of the Claims Notice, the Indemnitee will be entitled to assume such defense, at its sole cost and expense (or, if the Indemnitee incurs a Loss with respect to the matter in question for which the Indemnitee is otherwise finally determined to be entitled to indemnification pursuant to this Article XII, at the expense of the Indemnitor), upon delivery of notice to such effect to the Indemnitor; provided, however, that the Indemnitor (i) shall have the right to participate in the defense of the Third Party Claim at its sole cost and expense; (ii) may at any time thereafter assume defense of the Third Party Claim (provided that it is not an Excluded Third Party Claim), in which event the Indemnitor shall bear the reasonable fees, costs and expenses of the Indemnitee's counsel incurred prior to the assumption by the Indemnitor of defense of the Third Party Claim; and (iii) shall not be obligated to indemnify the Indemnitee hereunder for any settlement entered into or any judgment consented to without the Indemnitor's prior written consent.

(f) From and after the Closing Date, the Buyer Indemnitee shall, and shall cause the Company to, provide, at the Seller Representative's sole cost and expense, reasonable cooperation to the Seller Representative in all aspects of any investigation, defense, pretrial activities, trial, compromise, settlement or discharge of any claim in respect of which a Buyer Indemnitee is seeking indemnification pursuant to this Article XII that the Seller Representative has elected to control, including, but not limited to, by providing the Seller Representative with reasonable access to books, records, employees and officers (including as witnesses) of the Company. Without limiting the other rights of any Seller Party hereunder, to the extent such participation is expressly required by the R&W Insurance Policy, the R&W Insurer shall be entitled to participate in (but not control), at its sole cost and expense, any Third Party Claim covered by the R&W Insurance Policy.

Section 12.8 Indemnification Procedures for Non-Third Party Claims. The Indemnitee will deliver a Claims Notice to the Indemnitor promptly upon its discovery of any matter for which the Indemnitor may be liable to the Indemnitee hereunder that does not involve a Third Party Claim; provided that failure to promptly give such notification will not affect the indemnification provided hereunder except to the extent that such failure to give such notification results in material prejudice to the Indemnitor with respect to such claim. The Indemnitee shall reasonably cooperate and assist the Indemnitor in determining the validity of any claim for indemnity by the Indemnitee and in otherwise resolving such matters. Such assistance and cooperation shall include providing reasonable access to and copies of information, records and documents relating to such matters, furnishing employees to assist in the investigation, defense and resolution of such matters and providing legal and business assistance with respect to such matters (if the Indemnitee incurs a Loss with respect to the matter in question for which the Indemnitee is otherwise finally determined to be entitled to indemnification pursuant to this Article XII, all at the Indemnitor's sole cost and expense).

Section 12.9 Exclusive Remedy. Notwithstanding anything to the contrary herein, except in connection with a dispute under Section 2.4 (which shall be governed exclusively by Section 2.4), the enforcement of any covenant requiring performance following the Closing or claims for equitable relief or against a Seller (or a Founder on behalf of a Seller) for Fraud, and subject to the rights of the Buyer under the R&W Insurance Policy, the indemnification provisions of this Article XII shall be the sole and exclusive remedy of parties following the Closing for any and all breaches or alleged breaches of any representations, warranties, covenants or agreements of the parties, or any other provision of this Agreement or the transactions contemplated hereby (other than with respect to the Fundamental Representations). Notwithstanding anything to the contrary in this Agreement, except with respect to Section 12.14 and Section 12.15 (which shall be governed by Schedule 12.14 and Schedule 12.15, respectively) the Buyer and the Buyer Indemnitees shall have recourse for indemnification under this Article XII (excluding Section 12.3 and Section 12.5 and the Fundamental Representations) solely to, and to the extent of, the amount then available in the Indemnity Escrow Account in accordance with Section 12.13 and in no event shall the amount of Losses paid by NewCo and the Seller Parties under this Article XII (excluding Section 12.3 and Section

12.5 and the Fundamental Representations) exceed the Indemnity Escrow Amount. The maximum liability of any Seller Party for indemnification under Section 12.4 with respect to a breach of the Fundamental Representations or a Seller under Section 12.3 shall be limited to the proceeds actually received by such Person as of the applicable date of determination in respect of the Initial Purchase Price, disbursements pursuant to Section 2.4(d), disbursements from the Escrow Accounts and disbursements made as Earn-Out Payments, except, in the case of Fraud, for which there shall be no cap on the indemnity obligations of the Person who committed such Fraud with respect any Losses arising out of such Fraud. In furtherance of the foregoing, except with respect to Section 12.14 and Section 12.15 (which shall be governed by Schedule 12.14 and Schedule 12.15, respectively), the Buyer's and the Buyer Indemnitees' recourse for indemnification for Losses pursuant to this Article XII shall be paid and satisfied in the following manner, subject to the limitations set forth in this Article XII: (i) first, from the Indemnity Escrow Amount in the Indemnity Escrow Account until the Indemnity Escrow Amount in the Indemnity Escrow Account is exhausted, (ii) second, if and to the extent that all or any part of such claim is recoverable pursuant to the R&W Insurance Policy, under and in accordance with the terms of the R&W Insurance Policy until the policy limit is reached and (iii) third, from NewCo or the other applicable Seller Parties to the extent permitted and in accordance with the terms of this Article XII.

Section 12.10 Calculation of Losses; Mitigation. The amount of any Loss for which indemnification is provided under this Article XII shall be net of any amounts actually recovered by any Indemnitee from third parties under insurance policies (other than the R&W Insurance Policy, and net of any related increase in premium or costs of collection) or otherwise with respect to such Loss. If the Indemnitee subsequently recovers any such amounts, the Indemnitee shall promptly pay such amounts over to the Indemnitor. In the event of any breach giving rise to an indemnification obligation under this Article XII or the right to make a claim against the then-available portion of the Indemnity Escrow Account, the Indemnitee shall take, and shall cause its respective Affiliates to take, all commercially reasonable measures to mitigate the consequences of the related breach (including taking commercially reasonable steps to prevent any contingent Loss from becoming an actual Loss).

Section 12.11 Tax Treatment of Indemnity Payments. It is the intention of the parties hereto to treat any indemnity payment made under this Agreement as an adjustment to the Purchase Price for all Tax purposes, and the parties agree to file their Tax Returns accordingly, except as otherwise required by a change in applicable Tax Laws or a final determination

Section 12.12 Subrogation. The parties acknowledge and agree that NewCo, the Seller Parties, the Sellers' Representative and their Affiliates shall not be liable to the R&W Insurer under subrogation claims pursuant to the R&W Insurance Policy, and the Buyer covenants and agrees that the R&W Insurance Policy will include a waiver of such subrogation claims for the benefit of NewCo, the Seller Parties, the Sellers' Representative and their Affiliates; provided, that the R&W Insurer shall be entitled to subrogate against NewCo, the Seller Parties, the Sellers' Representative and any of their respective Affiliates with respect to Fraud. In the event of payment by or on behalf of any Indemnitor to any Indemnitee pursuant to this Article XII, such Indemnitor shall be subrogated to and shall stand in the place of such Indemnitee as to any events or

circumstances in respect of which such Indemnitee may have any right, defense or claim relating to such claim or demand against any claimant or plaintiff asserting such claim or demand. Such Indemnitee shall cooperate with such Indemnitor in a reasonable manner, and at the cost of such Indemnitor, in presenting any subrogated right, defense or claim.

Section 12.13 Indemnity Escrow.

(a) If any Buyer Indemnitee shall have, prior to the Release Date, delivered a Claims Notice to the Sellers' Representative in respect of indemnification under this Agreement, such Buyer Indemnitee and the Sellers' Representative shall negotiate in good faith to reach an agreement upon (i) the Buyer Indemnitee's right for indemnification under this Agreement and the amount of such Buyer Indemnitee's Losses and (ii) the amount on deposit in the Indemnity Escrow Account that should be reserved (the "Reserved Amount") in respect of such Claims Notice.

(b) If the Sellers' Representative or Buyer, as the case may be, in good faith objects to any claim made in a Claim Notices, then the Sellers' Representative or Buyer, as the case may be, shall deliver a written notice (a "Claim Dispute Notice") to the other applicable Party during the thirty (30) day period commencing upon receipt by such Party of the Claims Notice. The Claim Dispute Notice shall set forth in reasonable detail the principal basis for the dispute of any claim made in the relevant Claims Notice, including, to the extent reasonably determinable at such time, the amount of Losses in connection with such claim determined by the party delivering such Claims Dispute Notice. If no Claims Dispute Notice is delivered prior to the expiration of such thirty (30) day period, then (i) each claim for indemnification set forth in such Claim Notice shall be deemed to have been conclusively determined in favor of the Indemnitee for purposes of this Section 12.8(b) on the terms set forth in the Claims Notice and (ii) as applicable, if any funds remain in the Indemnity Escrow Account, then Buyer may, in its sole and absolute discretion, direct the Escrow Agent to deliver cash from the Indemnity Escrow Account to the Buyer Indemnitees in accordance with such Claims Notice or as otherwise required pursuant to this Article XII or the Escrow Agreement.

(c) Following delivery of a Claims Dispute Notice, Sellers' Representative and Buyer shall attempt in good faith for the 45-day period commencing upon the receipt by the applicable Party of such Claims Dispute Notice (or such longer period as may be mutually agreed between Buyer and the Sellers' Representative) to resolve any such objections raised in such Claims Dispute Notice. If the Sellers' Representative or Buyer agree to a resolution of such objection during such period, then (i) a memorandum setting forth the matters conclusively determined by the Sellers' Representative or Buyer shall be prepared and signed by both parties, and (ii) as applicable, if such memorandum calls for a payment to the Buyer Indemnitees and any funds remain in the Indemnity Escrow Account, Buyer may, in its sole and absolute discretion, direct the Escrow Agent to act in accordance with such memorandum and distribute cash from the Indemnity Escrow Account in accordance therewith, or as otherwise required pursuant to this Section 12.8 or the Escrow Agreement.

(d) If no such resolution can be reached during such 45-day period, then upon the expiration of such period, either the Sellers' Representative or Buyer may bring suit to resolve the objection by litigation in an appropriate court of competent jurisdiction in accordance with Article XIV. Pending a resolution of the Reserved Amount in respect of any Claims Notice, the Reserved Amount therefor shall be the amount estimated in good faith by the Buyer Indemnitee based on back-up documentation containing such detail as is reasonable under the circumstances.

(e) Upon the agreement by the Sellers' Representative and the Buyer Indemnitee or as finally determined by a court of competent jurisdiction in respect of any Claims Notice, the Sellers' Representative and the Buyer shall jointly instruct the Escrow Agent under the Escrow Agreement to pay to the Buyer Indemnitee the lesser of (i) the amount of the Losses in respect of such Claims Notice and (ii) the balance then on deposit in the Indemnity Escrow Account.

(f) On the Release Date, the Sellers' Representative and the Buyer shall jointly instruct the Escrow Agent under the Escrow Agreement to pay to (x) NewCo (for further distribution to the Sellers in accordance with their respective Transaction Percentages) (y) the Company (for further distribution to the holders of Option and Transaction Bonus Recipients who are current or former employees of the Company, through the Company's normal payroll procedures, in accordance with their respective Transaction Percentages), and (z) the holders of Option and Transaction Bonus Recipients who are not current or former employees of the Company, in accordance with their respective Transaction Percentages, an amount equal to the excess (if any) of the balance then on deposit in the Indemnity Escrow Account over the aggregate Reserved Amount in respect of all unresolved claims for indemnification properly made by the Buyer Indemnitees prior to the Release Date, if any.

(g) Following the Release Date, from time to time, upon resolution of any Claims Notice in respect of any individual claim for indemnification made by the Buyer Indemnitees and the appropriate amount, if any, from the Indemnity Escrow Account having been paid to the Buyer Indemnitees in respect of such Claims Notice, the Sellers' Representative and the Buyer shall jointly instruct the Escrow Agent to release to (x) NewCo (for further distribution to the Sellers in accordance with their respective Transaction Percentages) (y) the Company (for further distribution to the holders of Option and Transaction Bonus Recipients who are current or former employees of the Company, through the Company's normal payroll procedures, in accordance with their respective Transaction Percentages), and (z) the holders of Option and Transaction Bonus Recipients who are not current or former employees of the Company, in accordance with their respective Transaction Percentages, the excess of the balance then on deposit in the Indemnity Escrow Account over the aggregate Reserved Amount in respect of all remaining unresolved claims for indemnification properly made by the Buyer Indemnitees prior to the Release Date, in each case, if any.

Section 12.14 Second Escrow. The amounts in the Second Escrow Account shall be distributed in accordance with the instructions set forth on Schedule 12.14.

Section 12.15 First Escrow. The amounts in the First Escrow Account shall be distributed in accordance with the instructions set forth on Schedule 12.15.

ARTICLE XIII

SELLERS' REPRESENTATIVE

Section 13.1 Appointment of Sellers' Representative. Each Seller, on behalf of himself, herself or itself and such Seller's successors and permitted assigns, hereby irrevocably constitutes and appoints the Sellers' Representative as attorney-in-fact and exclusive agent for such Seller Party and such Seller Party's successors and permitted assigns in connection with the execution and performance of this Agreement and the other Transaction Documents. This powers, immunities and rights to indemnification granted to the Sellers' Representative Group hereunder: (i) is irrevocable and coupled with an interest, and will not be affected by the death, incapacity, illness, dissolution, bankruptcy or other inability to act of any Seller Party or any Seller Party's successors or permitted assigns, and (ii) shall survive the delivery of an assignment by any Seller Party of the whole or any fraction of his, her or its interest in the Indemnity Escrow Amount or the Adjustment Escrow Amount.

Section 13.2 Authority of Sellers' Representative. Each Seller Party, on behalf of himself, herself or itself and such Seller Party's successors and permitted assigns, hereby irrevocably grants the Sellers' Representative full power and authority: (a) to make decisions on behalf of the Seller Parties and their respective successors and permitted assigns with respect to the transactions and matters contemplated under this Agreement, the Escrow Agreement or any other Transaction Document, including adjustments to the Purchase Price and indemnification claims; (b) to (i) dispute or refrain from disputing, on behalf of such Seller Party and such Seller Party's successors and permitted assigns, any claim made by the Buyer or any other Person under this Agreement; (ii) negotiate and compromise, on behalf of such Seller Party and such Seller Party's successors and permitted assigns, any dispute that may arise under, and to exercise or refrain from exercising any remedies available under, this Agreement, the Escrow Agreement and the Sellers' Representative Engagement Agreement; and (iii) execute, on behalf of such Seller Party and such Seller Party's successors and permitted assigns, any settlement agreement, release or other document with respect to such dispute or remedy; (c) to give or agree to, on behalf of such Seller Party and such Seller Party's successors and permitted assigns, any and all consents, waivers, amendments or modifications, deemed by the Sellers' Representative, in the Sellers' Representative's sole discretion, to be necessary or appropriate, under this Agreement or the Escrow Agreement, and, in each case, to execute and deliver any documents that may be necessary or appropriate in connection therewith; (d) to enforce, on behalf of such Seller Party and such Seller Party's successors and permitted assigns, any claim against the Buyer arising under this Agreement; (e) to engage attorneys, accountants and other agents at the expense of Sellers and their respective successors and permitted assigns; (f) to amend this Agreement or the Escrow Agreement (other than this Section 13.2) or any of the instruments to be delivered to the Buyer by such Seller Party pursuant to this Agreement or any other Transaction Document; and (g) to give such instructions and to

take such action or refrain from taking such action, on behalf of such Seller Party and such Seller Party's successors and permitted assigns, as the Sellers' Representative deems, in the Sellers' Representative's sole discretion, necessary or appropriate to carry out the provisions of this Agreement, the Escrow Agreement and the Sellers' Representative Engagement Agreement including the exercise of all rights granted to such Seller and such Seller's successors and permitted assigns under this Agreement or any other Transaction Document. Notwithstanding the foregoing, the Sellers' Representative shall have no obligation to act on behalf of the Seller Parties, except as expressly provided herein, in the Escrow Agreement and in the Sellers' Representative Engagement Agreement, and for purposes of clarity, there are no obligations of the Sellers' Representative in any ancillary agreement, schedule, exhibit or the Disclosure Schedules.

Section 13.3 Reliance. Each Seller Party, on behalf of himself, herself or itself and such Seller Party's successors and permitted assigns, hereby agrees to the following:

(a) In all matters in which action by the Sellers' Representative is required or permitted, the Sellers' Representative is authorized to act on behalf of such Seller Party, on behalf of himself, herself or itself and such Seller Party's successors and permitted assigns as if expressly confirmed and ratified in writing by such Seller Party, notwithstanding any dispute or disagreement among the Seller Parties or their respective successors or permitted assigns or between any Seller Party or any Seller Party's successors and permitted assigns and the Sellers' Representative, and Buyer will be entitled to rely on any and all action taken by the Sellers' Representative under this Agreement without any liability to, or obligation to inquire of, any Seller Party or any Seller in Party's successors and permitted assigns, notwithstanding any knowledge on the part of Buyer of any such dispute or disagreement. The Buyer and the Company will be fully protected in dealing with the Sellers' Representative under this Agreement (or any other Transaction Document) and may rely upon the authority of the Sellers' Representative to act on behalf of the Seller Parties.

(b) Notice to the Sellers' Representative, delivered in the manner provided Section 14.4, will be deemed to be notice to all Sellers and their respective successors and permitted assigns for purposes of this Agreement.

(c) Seller Parties waive any and all defenses which may be available to any Seller Party to contest, negate or disaffirm the action of the Sellers' Representative taken in good faith under this Agreement, the Escrow Agreement or the Sellers' Representative Engagement Agreement.

(d) The power and authority of the Sellers' Representative, as described in this Agreement, will continue in force until all rights and obligations of the Sellers and their respective successors and permitted assigns under this Agreement terminate, expire or are fully performed.

(e) A majority-in-interest of the Seller Parties and their respective successors and permitted assigns will have the right, exercisable from time to time upon written notice delivered to the Buyer, to request: (1) the removal of the Sellers' Representative, with or without cause, or (2) that a Seller Party (or, in the case of a Seller Party that is a corporation, partnership, limited liability company or trust, an officer, manager, employee or partner of such Seller Party) fill a vacancy caused by the death, resignation or removal of the Sellers' Representative; provided; however, that the removal of the Sellers' Representative or the filling of any vacancy caused by the death, resignation or removal of the Sellers' Representative shall be subject to the prior written consent of the Buyer, which may not be unreasonably withheld, delayed or conditioned.

(f) If the Sellers' Representative resigns or is removed or otherwise ceases to function in his capacity as such for any reason whatsoever, and no successor is appointed pursuant to this Section 13.3 within thirty (30) days, then the Buyer will have the right to appoint a Seller or a successor or permitted assign thereof to act as Sellers' Representative to serve as described in this Agreement. The immunities and rights to indemnification shall survive the resignation or removal of the Sellers' Representative or any member of the Advisory Group and the Closing and/or any termination of this Agreement and the Escrow Agreement.

Section 13.4 Actions by Seller Parties. Each Seller Party, on behalf of himself, herself or itself and such Seller Party's successors and permitted assigns, agrees that, notwithstanding the foregoing, at the request of the Buyer, such Seller Party and such Seller Party's successors and permitted assigns will take all actions necessary or appropriate to consummate the transactions contemplated by this Agreement (including delivery of such Seller's Interests and acceptance of the Purchase Price therefor) individually on such Seller Party's own behalf and on behalf of such Seller Party's successors and permitted assigns, and to deliver any other documents required of Seller Parties and their respective successors and permitted assigns pursuant to the terms hereof.

Section 13.5 Other Issues Regarding Sellers' Representative.

(a) Certain Seller Parties have entered into an engagement agreement (the "Sellers' Representative Engagement Agreement") with the Sellers' Representative to provide direction to the Sellers' Representative in connection with its services under this Agreement, the Escrow Agreement and the Sellers' Representative Engagement Agreement (such Seller Parties, including their individual representatives, collectively hereinafter referred to as the "Advisory Group"). Neither the Sellers' Representative nor its members, managers, directors, officers, contractors, agents and employees nor any member of the Advisory Group (collectively, the "Sellers' Representative Group"), will be liable to any Seller Party (or any Seller Party's successors or permitted assigns) with respect to any action taken or omitted to be taken by the Sellers' Representative pursuant to this Agreement, the Escrow Agreement, the Sellers' Representative Engagement Agreement and the other Transaction Documents, except for actions or omissions arising from the Sellers' Representative's fraud, gross negligence or willful misconduct.

(b) The Sellers' Representative will be entitled to retain counsel and to incur such expenses (including court costs and attorneys' fees and expenses) as the Sellers' Representative deems to be necessary or appropriate in connection with its performance of its obligations under this Agreement, the Escrow Agreement, the Sellers' Representative Engagement Agreement. The Seller Parties shall indemnify, defend and hold harmless the Sellers' Representative Group from and against any and all fees, losses, claims, damages, liabilities, fees, costs, and expenses (including fees, disbursements and costs of counsel and other skilled professionals and in connection with seeking recovery from insurers), judgments, fines or amounts paid in settlement (collectively, the "Sellers' Representative Expenses") incurred by the Sellers' Representative in performing its duties hereunder, under the Sellers' Representative Engagement Agreement or under the Escrow Agreement and such Sellers' Representative Expenses will be borne by the Seller Parties and their respective successors and permitted assigns (severally as to each Seller Party (or such Seller Party's successor or permitted assigns) only and not jointly as to or with any other Seller Party (or such Seller Party's successor or permitted assigns)); provided, however, that the Sellers' Representative may cause the Buyer or the Escrow Agent, as applicable, to deduct such Sellers' Representative Expenses from the amounts otherwise distributable to the Seller Parties or their respective successors and permitted assigns and pay such amounts to Sellers' Representative. Such Sellers' Representative Expenses may be recovered first from the Expense Fund, second from any distribution of the Indemnity Escrow Amount or Earn-Out Payments otherwise distributable to the Seller Parties at the time of distribution, and third, directly from the Sellers Parties**.** The Seller Parties acknowledge that the Sellers' Representative shall not be required to expend or risk its own funds or otherwise incur any financial liability in the exercise or performance of any of its powers, rights, duties or privileges or pursuant to this Agreement, the Escrow Agreement or the transactions contemplated hereby or thereby. Furthermore, the Sellers' Representative shall not be required to take any action unless the Sellers' Representative has been provided with funds, security or indemnities which, in its determination, are sufficient to protect the Sellers' Representative against the costs, expenses and liabilities which may be incurred by the Sellers' Representative in performing such actions. The obligations of the Seller Parties under this Section 13.5 will be several in accordance with each Seller's Transaction Percentage.

(c) The Sellers' Representative shall be entitled to: (i) rely upon the any certificates, schedules or exhibits contemplated in this agreement, including any allocation of the Purchase Price among the Seller Parties, (ii) rely upon any signature believed by it to be genuine, and (iii) reasonably assume that a signatory has proper authorization to sign on behalf of the applicable Seller Party or other party.

Section 13.6 Expense Fund.

(a) Upon the Closing, Buyer shall wire to the Sellers' Representative the Expense Fund Amount. The Expense Fund Amount shall be held by the Sellers' Representative in a segregated client account and shall be used (i) for the purposes of paying directly or reimbursing the Sellers' Representative for any Sellers' Representative Expenses incurred pursuant to this Agreement, the Escrow Agreement or any Sellers' Representative Engagement Agreement, or (ii) as otherwise determined by the Advisory Group (the "Expense Fund"). The Expense Fund Amount as contemplated

herein shall reflect a proportionate contribution from each Seller in an amount equal to such Person's Transaction Percentage. The Sellers' Representative is not providing any investment supervision, recommendations or advice and shall have no responsibility or liability for any loss of principal of the Expense Fund other than as a result of its gross negligence or willful misconduct. The Sellers' Representative is not acting as a withholding agent or in any similar capacity in connection with the Expense Fund, and has no tax reporting or income distribution obligations. The Seller Parties will not receive any interest on the Expense Fund and assign to the Sellers' Representative any such interest. Subject to Advisory Group approval, the Sellers' Representative may contribute funds to the Expense Fund from any consideration otherwise distributable to the Seller Parties.

(b) At the end of the Release Date, subject to any amount reserved in the reasonable judgment of the Sellers' Representative with respect to any unresolved or unsatisfied claim for indemnification pursuant to Article XII, the remainder of the Expense Fund shall be promptly remitted by the Seller Parties to the Buyer, who will cause to distribute such remainder of the Expense Fund to the Seller Parties in accordance with each such Seller Party's respective Transaction Percentage. With respect to any reserved amounts remaining in the Expense Fund following the expiration of the Release Date, any remaining amounts shall be promptly distributed by the Sellers' Representative following the resolution or satisfaction of such pending claim to the Buyer for further distribution to the Seller Parties in accordance with each such Seller Party's respective Transaction Percentage.

ARTICLE XIV

MISCELLANEOUS

Section 14.1 Expenses. Except as otherwise expressly provided herein, the Seller Parties and the Buyer shall each pay all of their own fees, costs and expenses (including attorneys' and accountants' fees, costs and expenses) in connection with the negotiation of this Agreement, the performance of their obligations hereunder and the consummation of the Contemplated Transactions; provided that the Seller Parties shall bear all Transaction Expenses as provided for herein.

Section 14.2 Amendments and Waivers. This Agreement may not be amended except by an instrument in writing signed on behalf of the Buyer and the Sellers' Representative. Waiver of any term or condition of this Agreement by any party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach or failure of the same term or condition or a waiver of any other term or condition of this Agreement. Any waiver by any Seller may be granted by the Sellers' Representative acting on behalf of such Seller.

Section 14.3 Entire Agreement. The Transaction Documents contain all of the terms, conditions and representations and warranties agreed to by the parties relating to the subject matter of this Agreement and the transactions contemplated hereby, and supersede all prior and contemporaneous agreements, negotiations, correspondence, undertakings and communications of the parties or their representatives, oral or written, respecting such subject matter.

Section 14.4 Notices. Any notice or other communication required or permitted under this Agreement shall be deemed to have been duly given and made (i) if in writing and served by personal delivery, (ii) if delivered by email (if receipt is not confirmed via return email, the effective date of notice is the date of the original email; provided, that notice is provided by alternative means on the next day), or (iii) if delivered by certified mail, registered mail or courier service, return-receipt received, in each case, to the party for whom it is intended at the address set forth below, with copies sent to the Persons indicated:

If to the Buyer or, after the Closing, the Company, to:

c/o Movado Group, Inc.
650 From Road, Ste. 375
Paramus, NJ 07652
Attention: General Counsel
Email: msussis@movadogroup.com; sdemarsilis@movadogroup.com

with a copy (which shall not constitute notice) to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019-6064
Attention: Robert B. Schumer; Lawrence G. Wee; Ellen Ching
Email: rschumer@paulweiss.com; lwee@paulweiss.com eching@paulweiss.com

If to the Sellers, to:

Fortis Advisors LLC
Attention: Notice Department
Email: notices@fortisrep.com
Facsimile No.: (858) 408-1843

with a copy (which shall not constitute notice) to:

Cooley LLP
1333 2nd Street, Suite 400
Santa Monica, CA 90401
Attention: Nicholas Hobson
Email: nhobson@cooley.com

If to the Founders, to:

Fortis Advisors LLC
Attention: Notice Department
Email: notices@fortisrep.com
Facsimile No.: (858) 408-1843

with a copy (which shall not constitute notice) to:

Cooley LLP
1333 2nd Street, Suite 400
Santa Monica, CA 90401
Attention: Nicholas Hobson
Email: nhobson@cooley.com

If to the Company (prior to the Closing):

5454 Beethoven Street, Suite 200
Los Angeles, CA 90066
Attention: Jake Kassan, Chief Executive Officer

with copies (which shall not constitute notice) to:

Cooley LLP
1333 2nd Street, Suite 400
Santa Monica, CA 90401
Attention: Nicholas Hobson
Email: nhobson@cooley.com

Such addresses may be changed, from time to time, by means of a notice given in the manner provided in this Section 14.4.

Section 14.5 Binding Effect; Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party without the prior written consent of the Buyer (in the case of any assignment by any Seller, or prior to the Closing, the Company) or the Sellers' Representative (in the case of any assignment by the Buyer or, from and after the Closing, the Company), and any

purported assignment or other transfer without such consent shall be void and unenforceable; provided, however, that without written consent of any party hereto, (i) the Buyer may assign its rights and obligations to any of its Affiliates, and (ii) the Buyer may assign its rights hereunder as collateral security to any lender to the Buyer or an Affiliate of the Buyer; provided, further, however, that no such assignment shall relieve the Buyer of any Liability, obligation or covenant hereunder. Subject to the preceding sentence, this Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties to this Agreement and their respective successors and permitted assigns.

Section 14.6 No Third Party Beneficiary. Nothing in this Agreement shall confer any rights, remedies or claims upon any Person not a party or a permitted assignee of a party to this Agreement, except as set forth in Article XII (Indemnification) Section 7.6 (Non-Competition/Non-Solicitation), Section 7.16 (Indemnification of Directors and Officers) or Section 14.11 (No Recourse Against Non-Parties).

Section 14.7 Governing Law. This Agreement and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement), shall be governed by the internal laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof or of any other jurisdiction.

Section 14.8 Consent to Jurisdiction and Service of Process.

(a) Other than an Action by the Buyer for equitable relief as set forth in Section 7.6(d), any Action seeking to enforce any provision of, or, directly or indirectly arising out of or in any way relating to, this Agreement or the Contemplated Transactions shall be brought in any Delaware state or federal court located in New Castle County, in the State of Delaware, and each of the parties hereby irrevocably consents to the exclusive jurisdiction of such courts in any such Action and irrevocably waives, to the fullest extent permitted by Law, any objection that it may now or hereafter have to the laying of the venue of any such Action in any such court or that any such Action brought in any such court has been brought in an inconvenient forum. Process in any such Action may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 14.4 shall be deemed effective service of process on such party.

Section 14.9 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 CONTEMPLATED TRANSACTIONS (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 14.10 Severability. Without limitation to Section 7.6(d)(ii), which shall govern for purposes of Section 7.6, if any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the Contemplated Transactions is not affected in any manner materially adverse to any party hereto. Upon such a determination, the Buyer, the Company and the Sellers' Representative shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a reasonably acceptable manner so that the Contemplated Transactions may be consummated as originally contemplated to the fullest extent possible.

Section 14.11 No Recourse Against Non-Parties. This Agreement may only be enforced against, and any Action based upon, arising out of, or related to this Agreement, or the negotiation, execution or performance of this Agreement (including any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement), may only be brought against the entities that are expressly named as parties hereto and then only with respect to the specific obligations set forth herein with respect to such party. No past, present or future director, officer, employee, incorporator, manager, member, partner, stockholder, Affiliate, agent, attorney or other advisors of Buyer, the Company or Sellers or of any Affiliate of any of them, or any of their respective successors or permitted assigns (collectively, "Non-Party Affiliates"), shall have any liability (whether in contract or in tort, in law or in equity, or based upon any theory that seeks to impose liability of an entity party against its owners or Affiliates) for any obligations or liabilities of any party hereto under this Agreement or for any claim or Action based on, in respect of or by reason of the Contemplated Transactions and each party hereto waives and releases all such liabilities, claims and obligations against any such Non-Party Affiliates. Non-Party Affiliates are expressly intended as third-party beneficiaries of this provision of this Agreement.

Section 14.12 Obligations of the Sellers. Whenever this Agreement requires NewCo to take any action, such requirement shall be deemed to include a requirement of each Seller to cause NewCo to take such action.

Section 14.13 Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures to each counterpart were upon a single instrument, and all such counterparts together shall be deemed an original of this Agreement. This Agreement shall become effective when, and only when, each party hereto shall have received a counterpart hereof signed by all of the other parties hereto.

Section 14.14 Attorney-Client Privilege and Conflict Waiver.

(a) Each of the Parties hereto acknowledges and agrees that Cooley LLP ("Cooley") has acted as counsel to the Company in various matters involving a range of issues and as counsel to the Company in connection with the negotiation of this Agreement and consummation of the transactions contemplated hereby.

(b) In connection with any matter or dispute under this Agreement, Buyer hereby irrevocably waives and agrees not to assert, and agrees to cause the Company following the Closing to irrevocably waive and not to assert, any conflict of interest arising from or in connection with (i) Cooley's prior representation of the Company and (ii) Cooley's representation of the Sellers' Representative and/or any of the Seller Parties prior to and after the Closing.

(c) Buyer further agrees, on behalf of itself and, after the Closing, on behalf of the Company, that all communications in any form or format whatsoever between or among any of Cooley, the Company, any of the Seller Parties, or any of their respective representatives to the extent related to the negotiation, documentation and consummation of the transactions contemplated by this Agreement or, beginning on the date of this Agreement, any dispute arising under this Agreement (collectively, the "Deal Communications") shall be deemed to be retained and owned collectively by the Seller Parties, shall be controlled by the Sellers' Representative on behalf of the Sellers Parties and shall not pass to or be claimed by Buyer or, following the Closing, the Company. All Deal Communications that are attorney-client privileged (the "Privileged Deal Communications") shall remain privileged after the Closing and the privilege and the expectation of client confidence relating thereto shall belong solely to the Sellers' Representative and the Sellers Parties, shall be controlled by the Sellers' Representative on behalf of the Sellers Parties and shall not pass to or be claimed by any of the Buyer or, following the Closing, the Company; provided, further, that nothing contained herein shall be deemed to be a waiver by any of the Buyer or any of their Affiliates (including, after the Closing, the Company and its Affiliates) of any applicable privileges or protections that can or may be asserted to prevent disclosure of any such communications to any third party.

(d) Notwithstanding the foregoing, in the event that a dispute arises between Buyer or, after the Closing, the Company, on the one hand, and a third party other than the Sellers' Representative or the Sellers Parties, on the other hand, Buyer or, following the Closing, the Company may assert the attorney-client privilege to prevent the disclosure of the Privileged Deal Communications to such third party; provided, however, that neither Buyer nor, following the Closing, the Company may waive such privilege without the prior written consent of the Sellers' Representative. In the event that Buyer or, following the Closing, the Company is legally required by governmental order or otherwise to access or obtain a copy of all or a portion of the Privileged Deal Communications, Buyer shall immediately (and, in any event, within 2 Business Days) notify the Sellers' Representative in writing (including by making specific reference to this Section 14.14 so that the Sellers' Representative can seek a protective order and Buyer agrees to use all commercially reasonable efforts, at the Sellers' Representative's expense, to assist therewith.

(e) To the extent that Privileged Deal Communications constitute property of its clients, only the Sellers' Representative and the Sellers Parties shall hold such property rights and Cooley shall have no duty to reveal or disclose any Privileged Deal Communications by reason of any attorney-client relationship between Cooley, on the one hand, and Company, on the other hand so long as such files or other materials would be subject to a privilege or protection if they were being requested in a proceeding by an unrelated third party.

(f) Buyer agrees on behalf of itself and, following the Closing, the Company, (i) to the extent that Buyer or, after the Closing, the Company receives or takes physical possession of any Privileged Deal Communications, (a) such physical possession or receipt shall not, in any way, be deemed a waiver by any of the Seller Parties or any other Person, of the privileges or protections described in this section, and (b) neither Buyer nor, following the Closing, the Company shall assert any claim that any of the Seller Parties or any other Person waived the attorney-client privilege, attorney work-product protection or any other right or expectation of client confidence applicable to any such materials or communications, (ii) not to access or use the Privileged Deal Communications, including by way of review of any electronic data, communications or other information, or by seeking to have the Sellers' Representative or any Seller waive the attorney-client or other privilege, or by otherwise asserting that Buyer or, following the Closing, the Company has the right to waive the attorney-client or other privilege and (iii) not to seek to obtain the Privileged Deal Communications from Cooley so long as such Privileged Deal Communications would be subject to a privilege or protection if they were being requested in a proceeding by an unrelated third party.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first above written.

MOVADO GROUP, INC.

By: /s/ Mitchell Sussis
Name: Mitchell Sussis
Title: Senior Vice President

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first above written.

ATOMIC NEWCO, INC.

By: /s/ Jacob Michael Kassan
Name: Jacob Michael Kassan
Title: CEO

MVMT WATCHES INC.

By: /s/ Jacob Michael Kassan
Name: Jacob Michael Kassan
Title: President

THE JACOB KASSAN REVOCABLE TRUST, U/A/D MARCH 28, 2017

By: /s/ Jacob Michael Kassan
Name: Jacob Michael Kassan
Title: Trustee

THE JACOB KASSAN 2017 ANNUITY TRUST, U/A/D MARCH 28, 2017

By: /s/ Jacob Michael Kassan
Name: Jacob Michael Kassan
Title: Trustee

THE KRAMER LAPLANTE REVOCABLE TRUST, U/A/D MARCH 28, 2017

By: /s/ Kramer Craig LaPlante
Name: Kramer Craig LaPlante
Title: Trustee

THE KRAMER LAPLANTE 2017 ANNUITY TRUST, U/A/D MARCH 28, 2017

By: /s/ Kramer Craig LaPlante
Name: Kramer Craig LaPlante
Title: Trustee

Fortis Advisors LLC, as Sellers' Representative

By: /s/ Adam Lezack
Name: Adam Lezack
Title: Managing Director

JACOB MICHAEL KASSAN

By: /s/ Jacob Michael Kassan

KRAMER CRAIG LAPLANTE

By: /s/ Kramer Craig LaPlante

Exhibit 4.1
Execution Version

Published CUSIP Number: 62458DAE8 - Deal
Published CUSIP Number: 62458DAF5 - Rev

AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of October 12, 2018

among

MOVADO GROUP, INC.,
MOVADO GROUP DELAWARE HOLDINGS CORPORATION,
MOVADO LLC,
MOVADO RETAIL GROUP, INC.,
MGI LUXURY GROUP S.A., and
MOVADO WATCH COMPANY SA
as the Borrowers,

CERTAIN SUBSIDIARIES OF THE BORROWERS PARTY HERETO,
as the Guarantors,

BANK OF AMERICA, N.A.,
as Administrative Agent, Swingline Lender and
L/C Issuer,

and

THE LENDERS PARTY HERETO

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
BANK OF AMERICA MERRILL LYNCH,
as Sole Lead Arranger and Sole Bookrunner

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EXHIBITS

AMENDED AND RESTATED CREDIT AGREEMENT

This **AMENDED AND RESTATED CREDIT AGREEMENT** is entered into as of October 12, 2018, among MOVADO GROUP, INC., a New York corporation (the "Parent"), MOVADO GROUP DELAWARE HOLDINGS CORPORATION, a Delaware corporation ("MGDH"), MOVADO LLC, a Delaware limited liability company ("MLLC"), MOVADO RETAIL GROUP, INC., a New Jersey corporation ("Retail"), MGI LUXURY GROUP S.A., a company organized and existing under the laws of Switzerland ("MGI SA"), and MOVADO WATCH COMPANY SA, a company organized and existing under the laws of Switzerland ("Movado SA", and together with MGI SA, the "Foreign Borrowers"), certain Subsidiaries of the Parent party hereto from time to time pursuant to Section 2.18 (each a "Designated Borrower" and, together with Parent, MGDH, MLLC, Retail and the Foreign Borrowers, the "Borrowers" and each a "Borrower"), the Guarantors (defined herein), the Lenders (defined herein), and BANK OF AMERICA, N.A., as Administrative Agent, Swingline Lender and L/C Issuer.

PRELIMINARY STATEMENTS:

WHEREAS, the Domestic Borrowers, certain Guarantors, the Administrative Agent and certain of the Lenders are parties to that certain Credit Agreement, dated as of January 30, 2015 (as amended, restated, supplemented or otherwise modified and as in effect immediately prior to the Closing Date, the "Existing Credit Agreement"), pursuant to which the Lenders thereunder have made loans and other extensions of credit to the Domestic Borrowers thereunder;

WHEREAS, the Borrowers have requested that the Existing Credit Agreement be amended and restated, and the Lenders and the Administrative Agent are willing to amend and restate the Existing Credit Agreement; and

WHEREAS, the parties hereto agree that on the Closing Date (defined below), the Existing Credit Agreement and all Schedules and Exhibits thereto are hereby amended and restated in their entirety as set forth herein and in the Schedules and Exhibits hereto and shall remain in full force and effect only as set forth herein.

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

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

1.01 Defined Terms.

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

"Acquisition" means the acquisition, whether through a single transaction or a series of related transactions, of (a) a majority of the Voting Stock or other controlling ownership interest in another Person (including the purchase of an option, warrant or convertible or similar type security to acquire such a controlling interest at the time it is exercised by the holder thereof), whether by purchase of such equity or other ownership interest or upon the exercise of an option or warrant for, or conversion of securities into, such equity or other ownership interest, (b) assets of another Person which constitute all or substantially all of the assets of such Person or of a division, line of business or other business unit of such Person, excluding any ordinary course Capital Expenditures or replacements of existing assets, or (c) Equity Interests in a

joint venture from the joint venture partners of any Loan Party or Subsidiary; provided that, in the case of this clause (c), after such Acquisition, such Loan Party or Subsidiary shall own at least a majority of the Voting Stock or other controlling ownership interest of such joint venture.

"Additional Secured Obligations" means all obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding; provided that Additional Secured Obligations of a Loan Party shall exclude any Excluded Swap Obligations with respect to such Loan Party.

"Administrative Agent" means Bank of America (or any of its designated branch offices or affiliates) in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent under any of the Loan Documents.

"Administrative Agent's Office" means, with respect to any currency, the Administrative Agent's address and, as appropriate, account as set forth on Schedule 1.01(a) with respect to such currency, or such other address or account with respect to such currency as the Administrative Agent may from time to time notify the Borrowers and the Lenders.

"Administrative Questionnaire" means an Administrative Questionnaire in substantially the form of Exhibit A or any other form approved 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.

"Aggregate Commitments" means the Revolving Commitments of all the Lenders. The Aggregate Commitments on the Closing Date shall be $100,000,000.

"Agreement" means this Credit Agreement.

"Agreement Currency" has the meaning specified in Section 11.22.

"Alternative Currency" means each of the following currencies: Canadian Dollars, Euros, Swiss Francs and Sterling, together with each other Eligible Currency (other than Dollars) that is approved in accordance with Section 1.09; provided that any currency that is an Alternative Currency must be an Eligible Currency.

"Alternative Currency Equivalent" means, at any time, with respect to any amount denominated in Dollars, the equivalent amount thereof in the applicable Alternative Currency as determined by the Administrative Agent or the L/C Issuer, as the case may be, at such time on the basis of the Spot Rate (determined in respect of the most recent Revaluation Date) for the purchase of such Alternative Currency with Dollars.

"Applicable Percentage" means, in respect of the Revolving Facility with respect to any Revolving Lender at any time, the percentage (carried out to the ninth decimal place) of the Revolving Facility represented by such Lender's Revolving Commitment at such time, subject to adjustment as provided in Section 2.15. If the Revolving Commitments of all of the Lenders to make Revolving Loans and the obligation of the L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 8.02,

or if the Revolving Commitments have expired, then the Applicable Percentage of each Lender in respect of the Revolving Facility shall be determined based on the Applicable Percentage of such Revolving Lender in respect of the Revolving Facility most recently in effect, giving effect to any subsequent assignments. The initial Applicable Percentage of each Revolving Lender in respect of the Revolving Facility is set forth opposite the name of such Lender on Schedule 1.01(b) or in the Assignment and Assumption pursuant to which such Revolving Lender becomes a party hereto or in any documentation executed by such Lender pursuant to Section 2.19, as applicable.

"Applicable Rate" means, for any day, the rate per annum set forth below opposite the applicable "Level" then in effect (based on the Consolidated Leverage Ratio), it being understood that the Applicable Rate (a) for Revolving Loans that are Base Rate Loans shall be the percentage set forth under the column "Applicable Rate for Base Rate Loans," (b) for Revolving Loans that are Eurocurrency Rate Loans, and for the Letter of Credit Fees, shall be the percentage set forth under the column "Applicable Rate for Eurocurrency Rate Loans and Letter of Credit Fees," and (c) for the commitment fee shall be the percentage set forth under the column "Commitment Fee":

Level	Consolidated Leverage Ratio	Applicable Rate for Eurocurrency Rate Loans and Letter of Credit Fees	Applicable Rate for Base Rate Loans	Commitment Fee
1	≤ 0.75:1	1.000%	0.000%	0.250%
2	> 0.75:1 but ≤ 1.25:1	1.250%	0.250%	0.300%
3	> 1.25:1 but ≤ 1.75:1	1.500%	0.500%	0.350%
4	> 1.75:1	1.750%	0.750%	0.400%

Any increase or decrease in the Applicable Rate resulting from a change in the Consolidated Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.02(a); provided, however, that if a Compliance Certificate is not delivered when due in accordance with such Section, then, upon the request of the Required Lenders, Level 3 shall apply, as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered and shall remain in effect until the first Business Day following the date on which such Compliance Certificate is delivered.

Notwithstanding anything to the contrary contained in this definition, (a) the determination of the Applicable Rate for any period shall be subject to the provisions of Section 2.10(b) and (b) the initial Applicable Rate shall be set forth in Level 1 until the first Business Day immediately following the date on which a Compliance Certificate is delivered to the Administrative Agent pursuant to Section 6.02(a) for the first full fiscal quarter to occur following the Closing Date. Any adjustment in the Applicable Rate shall be applicable to all Credit Extensions then existing or subsequently made or issued.

"Applicable Time" means, with respect to any borrowings and payments in any Alternative Currency, the local time in the place of settlement for such Alternative Currency as may be determined by the Administrative Agent or the L/C Issuer, as the case may be, to be necessary for timely settlement on the relevant date in accordance with normal banking procedures in the place of payment.

"Applicant Borrower" has the meaning specified in Section 2.18.

"Appropriate Lender" means, at any time, (a) with respect to the Revolving Facility, a Lender that has a Revolving Commitment or holds a Revolving Loan under the Revolving Facility at such time, (b) with respect to the Letter of Credit Sublimit, (i) the L/C Issuer and (ii) if any Letters of Credit have been issued pursuant to Section 2.03, the Revolving Lenders and (c) with respect to the Swingline Sublimit, (i) the Swingline Lender and (ii) if any Swingline Loans are outstanding pursuant to Section 2.04(a), the Revolving Lenders.

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

"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 sole lead arranger and sole bookrunner.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 11.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit B or any other form (including an electronic documentation form generated by use of an electronic platform) approved by the Administrative Agent.

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

"Audited Financial Statements" means the audited Consolidated balance sheet of the Parent and its Subsidiaries for the fiscal year ended January 31, 2018, and the related Consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year of the Parent and its Subsidiaries, including the notes thereto.

"Authorization to Share Insurance Information" means the authorization substantially in the form of Exhibit O (or such other form as required by each of the Loan Party's insurance companies).

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

"Availability Period" means the period from and including the Closing Date to the earliest of (i) the Maturity Date, (ii) the date of termination of the Aggregate Commitments pursuant to Section 2.06, and (iii) the date of termination of the Revolving Commitment of each Lender to make Revolving Loans and of the obligation of the L/C Issuer to make L/C Credit Extensions pursuant to Section 8.02**.**

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable 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.

"Base Rate" means for any day a fluctuating rate of interest per annum equal to the highest of (a) the Federal Funds Rate plus 0.50%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate," and (c) the LIBOR Daily Floating Rate plus 1.00%, subject to the interest rate floors set forth therein; provided that if the Base Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement. 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.

"Base Rate Loan" means a Revolving Loan that bears interest based on the Base Rate. Base Rate Loans are only available to Domestic Borrowers and Domestic Designated Borrowers and as Loans denominated in Dollars.

"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 Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"Borrower Materials" has the meaning specified in Section 6.02.

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

"Borrowing" means a Revolving Borrowing or a Swingline Borrowing, as the context may require.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent's Office is located and,

(a) if such day relates to any interest rate settings as to a Eurocurrency Rate Loan denominated in Dollars, any fundings, disbursements, settlements and payments in Dollars in respect of any such Eurocurrency Rate Loan, or any other dealings in Dollars to be carried out pursuant to this Agreement in respect of any such Eurocurrency Rate Loan, means any such day that is also a London Banking Day;

(b) if such day relates to any interest rate settings as to a Eurocurrency Rate Loan denominated in Euro, any fundings, disbursements, settlements and payments in Euro in respect of any such Eurocurrency Rate Loan, or any other dealings in Euro to be carried out pursuant to this Agreement in respect of any such Eurocurrency Rate Loan, means a TARGET Day;

(c) if such day relates to any interest rate settings as to a Eurocurrency Rate Loan denominated in a currency other than Dollars or Euro, means any such day on which dealings in deposits in the relevant currency are conducted by and between banks in the London or other applicable offshore interbank market for such currency; and

(d) if such day relates to any fundings, disbursements, settlements and payments in a currency other than Dollars or Euro in respect of a Eurocurrency Rate Loan denominated in a currency other than Dollars or Euro, or any other dealings in any currency other than Dollars or Euro to be carried out pursuant to this Agreement in respect of any such Eurocurrency Rate Loan (other than any interest rate settings), means any such day on which banks are open for foreign exchange business in the principal financial center of the country of such currency.

"Canadian Dollar" means the lawful currency of Canada.

"Capital Expenditures" means, with respect to any Person for any period, any expenditure in respect of the purchase or other acquisition of any fixed or capital asset (excluding normal replacements and maintenance which are properly charged to current operations). For purposes of this definition, the purchase price of equipment that is purchased simultaneously with the trade-in of existing equipment or with insurance proceeds shall be included in Capital Expenditures only to the extent of the gross amount by which such purchase price exceeds the credit granted by the seller of such equipment for the equipment being traded in at such time or the amount of such insurance proceeds, as the case may be.

"Capitalized Leases" means all leases that have been or should be, in accordance with GAAP, recorded as capitalized leases.

"Cash Collateralize" means, to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the L/C Issuer or Swingline Lender (as applicable) or the Lenders, as collateral for L/C Obligations, the Obligations in respect of Swingline Loans, or obligations of the Revolving Lenders to fund participations in respect of either thereof (as the context may require), (a) cash or deposit account balances, (b) backstop letters of credit entered into on terms and from issuers satisfactory to the Administrative Agent and the L/C Issuer and in amounts not less than the amounts specified in this Agreement or otherwise satisfactory to the Administrative Agent and the L/C Issuer, and/or (c) if the Administrative Agent and the L/C Issuer or Swingline Lender shall agree, in their sole discretion, other credit support, in each case, in Dollars and pursuant to documentation in form and substance satisfactory to the Administrative Agent and the L/C Issuer or Swingline Lender (as applicable). "Cash Collateral" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"Cash Equivalents" means any of the following types of Investments, to the extent owned by each Borrower or any of its Subsidiaries free and clear of all Liens (other than Permitted Liens):

(a) readily marketable obligations issued or directly and fully guaranteed or insured by the United States or any agency or instrumentality thereof having maturities of not more than three hundred sixty days (360) days from the date of acquisition thereof; provided that the full faith and credit of the United States is pledged in support thereof;

(b) time deposits with, or insured certificates of deposit or bankers' acceptances of, any commercial bank that (i) is organized under the laws of the United States, any state thereof or the District of Columbia or is the principal banking subsidiary of a bank holding company organized under the laws of the United States, any state thereof or the District of Columbia, and is a member of the Federal Reserve System, (ii) issues (or the parent of which issues) commercial paper rated as described in clause (c) of this definition and (iii) has combined capital and surplus of at least $500,000,000, in each case with maturities of not more than twelve (12) months from the date of acquisition thereof;

(c) repurchase obligations with a term of not more than 30 days for underlying investments of the types described in clauses (a) and (b) entered into with any bank meeting the qualifications specified in clause (b);

(d) commercial paper issued by any Person organized under the laws of any state of the United States and rated at least "Prime-1" (or the then equivalent grade) by Moody's or at least "A-1" (or the then equivalent grade) by S&P, in each case with maturities of not more than nine months from the date of acquisition thereof;

(e) Investments, classified in accordance with GAAP as current assets of any Borrower or any of its Subsidiaries, in money market investment programs registered under the Investment Company Act of 1940, which are administered by financial institutions that have the highest rating obtainable from either Moody's or S&P, and the portfolios of which are limited solely to Investments of the character, quality and maturity described in clauses (a), (b), (c) and (d) of this definition; and

(f) with respect to Foreign Subsidiaries, any obligations, instruments or documents reasonably equivalent to any of the foregoing, as set forth in Parent's investment policy in effect from time to time, a copy of which shall be delivered to, and which shall be reasonably acceptable to, the Administrative Agent.

"Cash Management Agreement" means any agreement that is not prohibited by the terms hereof to provide treasury or cash management services, including deposit accounts, overnight draft, credit cards, debit cards, p-cards (including purchasing cards and commercial cards), funds transfer, automated clearinghouse, zero balance accounts, returned check concentration, controlled disbursement, lockbox, account reconciliation and reporting and trade finance services and other cash management services.

"Cash Management Bank" means any Person in its capacity as a party to a Cash Management Agreement that, at the time it enters into a Cash Management Agreement with a Loan Party or any Subsidiary, is a Lender or an Affiliate of a Lender, in its capacity as a party to such Cash Management Agreement (even if such Person ceases to be a Lender or such Person's Affiliate ceased to be a Lender); provided, however, that for any of the foregoing to be included as a "Secured Cash Management Agreement" on any date of determination by the Administrative Agent, the applicable Cash Management Bank (other than the Administrative Agent or an Affiliate of the Administrative Agent) and the Parent must have delivered a Secured Party Designation Notice to the Administrative Agent prior to such date of determination.

"CFC" means a Person that is a "controlled foreign corporation" under Section 957 of the Code.

"CFC Holding Company" means any Subsidiary substantially all of the assets of which are one or more CFCs, either directly or indirectly through other entities that are disregarded entities or partnerships for U.S. federal income tax purposes, and all such entities (i) have no material assets (excluding equity interests in each other) other than equity interests of such CFCs, (ii) do not incur, and are not otherwise liable for, any material Indebtedness (other than intercompany indebtedness permitted pursuant to Section 7.02), and (iii) do not conduct any material business or activities other than the ownership of such equity interests and/or receivables and other immaterial assets and activities reasonably related or ancillary thereto.

"Change in Law" means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on

Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Change of Control" means an event or series of events by which: (a) the Parent ceases to own and control, beneficially and of record, directly or indirectly, all outstanding Equity Interests in all Borrowers other than the Parent; (b) members of the Grinberg Family cease to own and control, beneficially and of record, at least thirty percent (30%) of the total voting power of the outstanding Equity Interests of the Parent; (c) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of a greater percentage of the total voting power of the outstanding Equity Interests of the Parent than the percentage of the total voting power of the outstanding Equity Interests of the Parent then "beneficially owned" (as defined in Rules 13d-3 and 13d-5 of the Exchange Act), directly or indirectly, by the members of the Grinberg Family; (d) Continuing Directors cease to be a majority of the members of the board of directors of the Parent; or (e) all or substantially all of a Borrower's assets are sold or transferred, other than sale or transfer to another Borrower.

"Closing Date" means the date hereof.

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

"Collateral" means all of the "Collateral" referred to in the Collateral Documents and all of the other property that is or is intended under the terms of the Collateral Documents to be subject to Liens in favor of the Administrative Agent for the benefit of the Secured Parties.

"Collateral Documents" means, collectively, the Security Agreement, each Joinder Agreement, each of the collateral assignments, security agreements, pledge agreements or other similar agreements delivered to the Administrative Agent pursuant to Section 6.14, and each of the other agreements, instruments or documents that creates or purports to create a Lien in favor of the Administrative Agent for the benefit of the Secured Parties to secure the Secured Obligations.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 *et seq*.), as amended from time to time, and any successor statute.

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

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated" means, when used with reference to financial statements or financial statement items of the Parent and its Subsidiaries or any other Person, such statements or items on a consolidated basis in accordance with the consolidation principles of GAAP.

"Consolidated Capital Expenditures" means, for any period, for the Parent and its Subsidiaries on a Consolidated basis, all Capital Expenditures, but excluding expenditures to the extent made with the proceeds of any Involuntary Disposition used to purchase property that is useful in the business of the Parent and its Subsidiaries.

"Consolidated EBITDA" means, for any period, the sum of the following determined on a Consolidated basis, without duplication, for the Parent and its Subsidiaries in accordance with GAAP, (a) Consolidated Net Income for such period plus (b) the following to the extent deducted in calculating such Consolidated Net Income (without duplication): (i) Consolidated Interest Charges, (ii) the provision

for federal, state, local and foreign income taxes payable, (iii) depreciation and amortization expense and (iv) non-cash charges and losses (excluding any such non-cash charges or losses to the extent there were cash charges with respect to such charges and losses in past accounting periods) and (v) business optimization expenses, streamlining costs, exit or disposal costs, facilities closure costs, brand exiting or discontinuance costs and other restructuring, severance or similar charges, reserves or expenses, including losses arising from the disposition of discontinued inventory or excess components and raw materials, non-recurring charges for acquisition-related expenses and non-recurring cash charges or unusual or non-recurring cash expenses and cash losses, provided that the amount added-back pursuant to this clause (v) shall not exceed $10,000,000 in any four fiscal quarter period, less (c) without duplication and to the extent reflected as a gain or otherwise included in the calculation of Consolidated Net Income for such period, non-cash gains (excluding any such non-cash gains to the extent there were cash gains with respect to such gains in past accounting periods).

"Consolidated Funded Indebtedness" means, as of any date of determination, for the Parent and its Subsidiaries on a Consolidated basis, the sum of (a) the outstanding principal amount of all obligations, whether current or long-term, for borrowed money (including Obligations hereunder) and all obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments; (b) all purchase money Indebtedness; (c) the maximum amount available to be drawn under issued and outstanding letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments; (d) all obligations (including, without limitation, earnout obligations) of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business), (e) all Attributable Indebtedness; (f) all obligations to purchase, redeem, retire, defease or otherwise make any payment prior to the Maturity Date in respect of any Equity Interests or any warrant, right or option to acquire such Equity Interest, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends; (g) without duplication, all Guarantees with respect to outstanding Indebtedness of the types specified in clauses (a) through (f) above of Persons other than the Parent or any Subsidiary; and (h) all Indebtedness of the types referred to in clauses (a) through (g) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which the Parent or a Subsidiary is a general partner or joint venturer, unless such Indebtedness is expressly made non-recourse to the Parent or such Subsidiary.

"Consolidated Leverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated Funded Indebtedness as of such date to (b) Consolidated EBITDA for the Measurement Period ending on such date, or if a Measurement Period is not ending on such date, the Measurement Period most recently ended prior to such date.

"Consolidated Net Income" means, at any date of determination, the net income (or loss) of the Parent and its Subsidiaries on a Consolidated basis for the most recently completed Measurement Period; provided that Consolidated Net Income shall exclude (a) extraordinary gains and extraordinary losses for such Measurement Period, (b) any income (or loss) for such Measurement Period of any Person if such Person is not a Subsidiary, except that the Parent's equity in the net income of any such Person for such Measurement Period shall be included in Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such Measurement Period to the Parent or a Subsidiary as a dividend or other distribution, (c) any gain or loss from currency translation gains or losses (or similar charges) or net gains or losses related to currency remeasurements of Indebtedness (including any net loss or gain in respect of Swap Contracts for currency exchange risk entered in relation to Indebtedness), in each case for such Measurement Period and (d) any net income (or loss) of any discontinued operations for such Measurement Period.

"Contingent Obligation" means any obligation of a Person arising from a guaranty, indemnity or other assurance of payment or performance of any Indebtedness, lease, dividend or other obligation

("primary obligations") of another obligor ("primary obligor") in any manner, whether directly or indirectly, including any obligation of such Person under any (a) guaranty, endorsement, co-making or sale with recourse of an obligation of a primary obligor; (b) obligation to make take-or-pay or similar payments regardless of nonperformance by any other party to an agreement; and (c) arrangement (i) to purchase any primary obligation or security therefor, (ii) to supply funds for the purchase or payment of any primary obligation, (iii) to maintain or assure working capital, equity capital, net worth or solvency of the primary obligor, (iv) to purchase assets or services for the purpose of assuring the ability of the primary obligor to perform a primary obligation, or (v) otherwise to assure or hold harmless the holder of any primary obligation against loss in respect thereof. The amount of any Contingent Obligation shall be deemed to be the stated or determinable amount of the primary obligation (or, if less, the maximum amount for which such Person may be liable under the instrument evidencing the Contingent Obligation) or, if not stated or determinable, the maximum reasonably anticipated liability with respect thereto.

"Continuing Directors" means the (i) directors of the Parent on the Closing Date and (ii) directors of the Parent whose election by the board of directors of the Parent, or whose nomination for election to the board of directors of the Parent by the shareholders of the Parent, was approved by a vote of at least a majority of the directors of the Parent who were either directors of the Parent on the Closing Date or whose election or nomination was previously so approved.

"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.

"Cost of Acquisition" means, with respect to any Acquisition, as at the date of entering into any agreement therefor, (i) the sum of the following (without duplication): (a) the value of the Equity Interests of any Borrower or any Subsidiary to be transferred in connection with such Acquisition, (b) the amount of any cash and fair market value of other property (excluding property described in clause (a) and the unpaid principal amount of any debt instrument) given as consideration in connection with such Acquisition, (c) the amount (determined by using the face amount or the amount payable at maturity, whichever is greater) of any Indebtedness incurred, assumed or acquired by any Borrower or any Subsidiary in connection with such Acquisition, (d) all additional purchase price amounts in the form of earnouts and other contingent obligations that should be recorded on the financial statements of any Borrower and its Subsidiaries in accordance with GAAP in connection with such Acquisition, (e) all amounts paid in respect of covenants not to compete and consulting agreements that should be recorded on the financial statements of the Parent and its Subsidiaries in accordance with GAAP, and other affiliated contracts in connection with such Acquisition, and (f) the aggregate fair market value of all other consideration given by any Borrower or any Subsidiary in connection with such Acquisition, less (ii) the amount of any cash and the fair market value of any Cash Equivalents received or obtained in connection with such Acquisition. For purposes of determining the Cost of Acquisition for any transaction, the Equity Interests of a Borrower shall be valued in accordance with GAAP.

"Credit Extension" means each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

"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 that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means (a) with respect to any Obligation for which a rate is specified, a rate per annum equal to two percent (2%) in excess of the rate otherwise applicable thereto and (b) with respect to any Obligation for which a rate is not specified or available, a rate per annum equal to the Base Rate plus the Applicable Rate for Revolving Loans that are Base Rate Loans plus two percent (2%), in each case, to the fullest extent permitted by applicable Law.

"Defaulting Lender" means, subject to Section 2.15(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrowers in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, the L/C Issuer, the Swingline Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swingline Loans) within two (2) Business Days of the date when due, (b) has notified the Borrowers, the Administrative Agent, the L/C Issuer or the Swingline Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three (3) Business Days after written request by the Administrative Agent or the Borrowers, to confirm in writing to the Administrative Agent and the Borrowers that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrowers), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.15(b)) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Borrowers, the L/C Issuer, the Swingline Lender and each other Lender promptly following such determination.

"Designated Borrower" has the meaning specified in the introductory paragraph hereto.

"Designated Borrower Request and Assumption Agreement" means the notice substantially in the form of Exhibit Q attached hereto.

"Designated Borrower Notice" means the notice substantially in the form of Exhibit R attached hereto.

"Designated Jurisdiction" means any country or territory to the extent that such country or territory is the subject of any Sanction.

"Designated Lender" shall have the meaning set forth in Section 2.19.

"Disposition" or "Dispose" means the sale, transfer, license, lease, or other disposition (including any Sale and Leaseback Transaction and any transfer of assets as a result of a division of any Loan Party or any Subsidiary into two or more Persons) of any property by any Loan Party or Subsidiary (or the granting of any option or other right to do any of the foregoing), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith, but excluding any Involuntary Disposition.

"Dollar" and "$" mean lawful money of the United States.

"Dollar Equivalent" means, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in any Alternative Currency, the equivalent amount thereof in Dollars as determined by the Administrative Agent or the L/C Issuer, as the case may be, at such time on the basis of the Spot Rate (determined in respect of the most recent Revaluation Date) for the purchase of Dollars with such Alternative Currency.

"Domestic Borrower" means Parent, MGDH, MLLC, Retail and each Domestic Designated Borrower party hereto from time to time.

"Domestic Designated Borrower" means any Designated Borrower that is organized under the laws of any political subdivision of the United States.

"Domestic Guarantor" means any Guarantor that is organized under the laws of any political subdivision of the United States.

"Domestic Loan Party" means any Loan Party that is organized under the laws of any political subdivision of the United States.

"Domestic Subsidiary" means any Subsidiary that is organized under the laws of any political subdivision of the United States.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a Subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

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

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

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 11.06 (subject to such consents, if any, as may be required under Section 11.06(b)(iii)).

"Eligible Currency" means any lawful currency other than Dollars that is readily available, freely transferable and convertible into Dollars in the international interbank market available to the Lenders in such market and as to which a Dollar Equivalent may be readily calculated. If, after the designation of any currency as an Alternative Currency, any change in currency controls or exchange regulations or any change in the national or international financial, political or economic conditions is imposed in the country in which such currency is issued, which results in, in the reasonable opinion of the Administrative Agent and the L/C Issuer, (a) such currency no longer being readily available, freely transferable and convertible into Dollars, (b) a Dollar Equivalent no longer being readily calculable with respect to such currency, (c) such currency being impracticable for the Lenders to provide or (d) no longer being a currency in which the L/C Issuer is willing to make the applicable Credit Extensions (each of (a), (b), (c), and (d) a "Disqualifying Event"), then the Administrative Agent shall promptly notify the Lenders and the Borrowers, and such country's currency shall no longer be an Alternative Currency until such time as the Disqualifying Event(s) no longer exist. Within five (5) Business Days after receipt of such notice from the Administrative Agent, the applicable Borrowers shall repay all Loans for which they are liable in such currency to which the Disqualifying Event applies or convert such Loans into the Dollar Equivalent of Revolving Loans in Dollars, subject to the other terms contained herein.

"Environmental Laws" means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

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

"Environmental Permit" means any permit, approval, identification number, license or other authorization required under any Environmental Law.

"Equity Interests" means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with any Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of any Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by any Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan; (f) any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (g) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Code or Sections 303, 304 and 305 of ERISA; (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Borrower or any ERISA Affiliate or (i) a failure by any Borrower or any ERISA Affiliate to meet all applicable requirements under the Pension Funding Rules in respect of a Pension Plan, whether or not waived, or the failure by any Borrower or any ERISA Affiliate to make any required contribution to a Multiemployer Plan.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Euro" and "€" mean the single currency of the Participating Member States.

"Eurocurrency Rate" means:

(a) for any Interest Period, with respect to any Credit Extension:

(i) denominated in a LIBOR Quoted Currency, the rate per annum equal to the London Interbank Offered Rate ("LIBOR"), or a comparable or successor rate which rate is approved by the Administrative Agent, 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) (in such case, the "LIBOR Rate") at or about 11:00 a.m. (London time) on the Rate Determination Date, for deposits in the relevant currency, with a term equivalent to such Interest Period; and

(ii) denominated in Canadian Dollars, the rate per annum equal to the Canadian Dollar Offered Rate, or a comparable or successor rate which rate is approved by the Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at or about 10:00a.m. (Toronto, Ontario time) on the Rate Determination Date with a term equivalent to such Interest Period;

(b) for any interest rate calculation with respect to a Base Rate Loan on any date, the rate per annum equal to the LIBOR Rate, at or about 11:00 a.m. (London time) determined two (2) Business Days prior to such date for Dollar deposits being delivered in the London interbank market for deposits in Dollars with a term of one (1) month commencing that day;

provided that (i) to the extent a comparable or successor rate is approved by the Administrative Agent in connection with any rate set forth in this definition, the approved rate shall be applied in a manner consistent with market practice; provided, further that to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent and (ii) if the

Eurocurrency Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

"Eurocurrency Rate Loan" means a Loan that bears interest at a rate based on clause (a) of the definition of "Eurocurrency Rate". Eurocurrency Rate Loans may be denominated in Dollars or in an Alternative Currency. All Loans denominated in an Alternative Currency or made to a Foreign Borrower must be Eurocurrency Rate Loans.

"Event of Default" has the meaning specified in Section 8.01.

"Existing Credit Agreement" has the meaning specified in the Preamble.

"Existing Loan Agreement" means that certain Amended and Restated Loan and Security Agreement dated as of July 17, 2009 by and among the Borrowers, the lenders party thereto and the Administrative Agent.

"Existing Letters of Credit" means those certain outstanding standby letters of credit, each listed on Schedule 2.03 and outstanding under the Existing Loan Agreement.

"Excluded Property" means, with respect to any Loan Party, (i) the Equity Interests of any Foreign Subsidiary or CFC Holding Company entitled to vote (within the meaning of Treas. Reg. Section 1.956 2(c)(2)) and directly owned by a Loan Party in excess of 65% of the aggregate outstanding Equity Interests entitled to vote (within the meaning of Treas. Reg. Section 1.956 2(c)(2)) issued by such Foreign Subsidiary or CFC Holding Company, (ii) any rights or interests in or arising under any contract, lease, permit, license, charter or license agreement covering real or personal property, as such, if under the terms of such contract, lease, permit, charter or license agreement, the valid grant of a security interest or Lien therein to Administrative Agent is prohibited or would violate or create a right of termination in favor of any other party thereto under such contract, lease, permit, charter or license agreement, and such prohibition or restriction has not been or is not waived or the consent of the other party to such contract, lease, permit, charter or license agreement has not been or is not otherwise obtained, provided, that the forgoing exclusion shall in no way be construed (A) to apply if any such prohibition or restriction is unenforceable under the UCC or other applicable Laws or (B) so as to limit, impair or otherwise affect Administrative Agent's unconditional continuing security interests in and Liens upon any rights or interests of any Borrower in or to monies due or to become due under any such contract, lease, permit, license, charter or license agreement (including any "Accounts", as such term is defined in the UCC), (iii) any assets with respect to which the granting of a pledge or security interest is prohibited by applicable Laws (in each case, except to the extent that such prohibition is unenforceable after giving effect to the applicable anti-assignment provisions of Article 9 of the UCC), (iv) any application for a trademark that would be invalidated, canceled, voided or abandoned due to the grant and/or enforcement of such security interest or Lien, including all such United States and foreign trademark applications that are based on an intent-to-use the mark in commerce, unless and until such time that the grant and/or enforcement of the security interest or Lien will not cause such trademark to be invalidated, canceled, voided or abandoned, (v) any asset owned by any Loan Party that is subject to a Lien permitted by Section 7.01(e), (f), (i) or (n), but only to the extent that the grant of such Lien is prohibited by, or violates or creates a right of termination in favor of any other party thereto under the agreements giving rise to or governing such Lien or the obligations secured by such Lien, (vi) any Third Party Funds, (vii) any motor vehicles or other assets subject to certificates of title and (viii) those specifically identified assets as to which the Administrative Agent shall determine in its sole discretion that the cost or other consequence of obtaining a security interest therein or the perfection thereof are excessive in relation to the value afforded to the Secured Parties thereby; provided, however that Excluded Property shall not include any proceeds, substitutions or replacements of Excluded Property (unless such proceeds, substitutions or replacements would constitute Excluded Property) and provided, further, if any Excluded Property would otherwise

have constituted Collateral, when such property shall cease to be Excluded Property, such property shall be deemed at all times from and thereafter to constitute Collateral.

"Excluded Swap Obligation" means, with respect to any Loan Party, any Swap Obligation if, and to the extent that, all or a portion of the Guaranty of such Loan Party of, or the grant by such Loan Party of a Lien to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation thereof) by virtue of such Loan Party's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act (determined after giving effect to Section 10.11 and any other "keepwell", support or other agreement for the benefit of such Loan Party and any and all guarantees of such Loan Party's Swap Obligations by other Loan Parties) at the time the Guaranty of such Loan Party, or grant by such Loan Party of a Lien, becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a Master Agreement governing more than one Swap Contract, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to Swap Contracts for which such Guaranty or Lien is or becomes excluded in accordance with the first sentence of this definition.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to any Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Revolving Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Revolving Commitment (other than pursuant to an assignment request by any Borrower under Section 11.13) or (ii) such Lender changes its Lending Office, except in each case to the extent that, pursuant to Section 3.01(a) or (c), amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient's failure to comply with Section 3.01(e) and (d) any U.S. federal withholding Taxes imposed pursuant to FATCA. Notwithstanding anything to the contrary contained in this definition, "Excluded Taxes" shall not include any withholding tax imposed at any time on payments made by or on behalf of a Foreign Borrower to any Lender hereunder or under any other Loan Document, provided that such Lender shall have complied with Section 3.01(e).

"Facility Office" means the office designated by the applicable Lender through which such Lender will perform its obligations under this Agreement.

"Facility Termination Date" means the date as of which all of the following shall have occurred: (a) the Aggregate Commitments have terminated, (b) all Obligations have been paid in full (other than contingent indemnification obligations), and (c) all Letters of Credit have terminated or expired (other than Letters of Credit which have been Cash Collateralized in accordance with the terms hereof or as to which other arrangements with respect thereto satisfactory to the Administrative Agent and the L/C Issuer shall have been made).

"FASB ASC" means the Accounting Standards Codification of the Financial Accounting Standards Board.

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

pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as reasonably determined by the Administrative Agent.

"Fee Letter" means the letter agreement, dated August 31, 2018, between the Parent, the Administrative Agent and the Arranger.

"Financial Condition Certificate" means a financial condition certificate substantially in the form of Exhibit N.

"Foreign Borrower Sublimit" means an amount equal to $75,000,000. The Foreign Borrower Sublimit is part of, and not in addition to, the Revolving Facility.

"Foreign Borrowers" has the meaning specified in the introductory paragraph hereto

"Foreign Government Scheme or Arrangement" has the meaning specified in Section 5.12(e).

"Foreign Guarantor" means any Guarantor organized under the laws of a jurisdiction other than the United States, a State thereof or the District of Columbia.

"Foreign Lender" means, with respect to any Borrower, (a) if such Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if such Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which such Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Foreign Loan Party" means a Foreign Borrower or a Foreign Guarantor.

"Foreign Obligation Loan Documents" means all legal documentation entered into between the applicable Foreign Subsidiary and the Foreign Obligation Provider in connection with the Foreign Subsidiary Secured Obligations

"Foreign Obligation Provider" has the meaning set forth in the definition of Foreign Subsidiary Secured Obligations.

"Foreign Obligor" means a Loan Party that is a Foreign Subsidiary.

"Foreign Plan" has the meaning specified in Section 5.12(e).

"Foreign Subsidiary" means any Subsidiary organized under the laws of a jurisdiction other than the United States, a State thereof or the District of Columbia.

"Foreign Subsidiary Secured Obligations" means all unpaid principal of, accrued and unpaid interest and fees and reimbursement obligations, and all expenses, reimbursements, indemnities and other obligations under or with respect to, any loans, letters of credit, acceptances, guarantees, overdraft facilities, other credit extensions or accommodations or similar obligations and any other Additional Secured Obligations owing by any Foreign Subsidiary to any Lender or any office, branch or Affiliate of any Lender (each a "Foreign Obligation Provider").

"FRB" means the Board of Governors of the Federal Reserve System of the United States.

"Fronting Exposure" means, at any time there is a Defaulting Lender that is a Revolving Lender, (a) with respect to the L/C Issuer, such Defaulting Lender's Applicable Percentage of the outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Revolving Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swingline Lender, such Defaulting Lender's Applicable Percentage of Swingline Loans other than Swingline Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Revolving Lenders or Cash Collateralized in accordance with the terms hereof.

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

"Funding Indemnity Letter" means a funding indemnity letter, substantially in the form of Exhibit L.

"GAAP" means generally accepted accounting principles in the United States set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the accounting profession) including, without limitation, the FASB Accounting Standards Codification, that are applicable to the circumstances as of the date of determination, consistently applied and subject to Section 1.03.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including, without limitation, the Financial Conduct Authority, the Prudential Regulation Authority and any supra-national bodies such as the European Union or the European Central Bank).

"Grinberg Family" means Efraim Grinberg, his siblings and children and the spouses, heirs and estates of any of such foregoing Persons and shall include, without limitation, any trusts of which any such Persons are trustees, either alone or with others, and/or beneficiaries, and any partnerships, limited partnerships, limited liability companies, corporations or other entities of which any of such Persons is a general partner or managing member or otherwise controls such entity directly or indirectly through other entities.

"Guarantee" means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness of the kind described in clauses (a) through (g) of the definition thereof or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or

performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness of the kind described in clauses (a) through (g) of the definition thereof or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed or expressly undertaken by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness or obligation to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Guaranteed Obligations" has the meaning set forth in Section 10.01.

"Guarantors" means, collectively, (a) the Parent and the Subsidiaries of the Parent as are or may from time to time become parties to this Agreement pursuant to Section 6.13 or the Movado SA Equity Transfer Conditions, (b) with respect to Additional Secured Obligations owing by any Loan Party, or any of its Subsidiaries or Affiliates, any Foreign Subsidiary Secured Obligations and any Swap Obligation of a Specified Loan Party (determined before giving effect to Sections 10.01 and 10.11) under the Guaranty, the Domestic Borrowers and (c) with respect to Additional Secured Obligations owing by any Foreign Loan Party, or any of its Subsidiaries or Affiliates that are Foreign Subsidiaries, any Foreign Subsidiary Secured Obligations and any Swap Obligation of a Specified Loan Party (determined before giving effect to Sections 10.01 and 10.11) that is a Foreign Loan Party under the Guaranty, the Foreign Borrowers, subject, in the case of each Foreign Loan Party, to the limitations otherwise set forth in this Agreement.

"Guaranty" means, collectively, the Guarantee made by the Guarantors under Article X in favor of the Secured Parties, together with each other guaranty delivered pursuant to Section 6.13.

"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, natural gas, natural gas liquids, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, toxic mold, infectious or medical wastes and all other substances, wastes, chemicals, pollutants, contaminants or compounds of any nature in any form regulated pursuant to any Environmental Law.

"Hedge Bank" means any Person in its capacity as a party to a Swap Contract that, at the time it enters into a Swap Contract required by or not prohibited under Article VI or VII, is a Lender or an Affiliate of a Lender, in its capacity as a party to such Swap Contract (even if such Person ceases to be a Lender or such Person's Affiliate ceased to be a Lender); provided, that in the case of a Secured Hedge Agreement with a Person who is no longer a Lender (or Affiliate of a Lender), such Person shall be considered a Hedge Bank only through the stated termination date (without extension or renewal) of such Secured Hedge Agreement; and provided, further, that for any of the foregoing to be included as a "Secured Hedge Agreement" on any date of determination by the Administrative Agent, the applicable Hedge Bank (other than the Administrative Agent or an Affiliate of the Administrative Agent) and the Parent must have delivered a Secured Party Designation Notice to the Administrative Agent prior to such date of determination.

"Honor Date" has the meaning set forth in Section 2.03(c).

"IFRS" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements delivered under or referred to herein.

"Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) the maximum amount of all direct or contingent obligations of such Person arising under letters of credit (including standby letters of credit), bankers' acceptances, bank guaranties and similar instruments;

(c) net obligations of such Person under any Swap Contract;

(d) all obligations (including, without limitation, all earnout obligations to the extent included as indebtedness or liabilities in accordance with GAAP) of such Person to pay the deferred purchase price of property or services, (other than trade accounts payable in the ordinary course of business and not past due for more than ninety (90) days);

(e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) all Attributable Indebtedness in respect of Capitalized Leases and Synthetic Lease Obligations of such Person and all Synthetic Debt of such Person;

(g) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interest in such Person or any other Person or any warrant, right or option to acquire such Equity Interest, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends; and

(h) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

"Indemnitees" has the meaning specified in Section 11.04(b).

"Information" has the meaning specified in Section 11.07.

"Information Certificate" means the information certificate delivered pursuant to Section 4.01 hereof.

"Intellectual Property" has the meaning set forth in the Security Agreement.

"Intercompany Debt" has the meaning specified in Section 7.02.

"Interest Payment Date" means, (a) as to any Eurocurrency Rate Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date; provided, however, that if any Interest Period for a Eurocurrency Rate Loan exceeds three (3) months, the respective dates that fall every three (3) months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan or Swingline Loan, the last Business Day of each March, June, September and December and the Maturity Date.

"Interest Period" means, as to each Eurocurrency Rate Loan, the period commencing on the date such Eurocurrency Rate Loan is disbursed or converted to or continued as a Eurocurrency Rate Loan and ending on the date one (1), two (2), three (3) or six (6) months thereafter, as selected by each Borrower in its Loan Notice**,** or such other period that is twelve (12) months or less requested by each Borrower and consented to by all of the Lenders, in each case, subject to availability for the interest rate applicable to the relevant currency; provided that:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(c) no Interest Period shall extend beyond the Maturity Date.

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or interest in, another Person (including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor guaranties Indebtedness of such other Person), or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person which constitute all or substantially all of the assets of such Person or of a division, line of business or other business unit of such Person. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

"Involuntary Disposition" means any loss of, damage to or destruction of, or any condemnation or other taking for public use of, any property of any Loan Party or any Subsidiary.

"IRS" means the United States Internal Revenue Service.

"ISP" means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

"Issuer Documents" means with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by the L/C Issuer and any Borrower (or any Subsidiary) or in favor of the L/C Issuer and relating to such Letter of Credit.

"Joinder Agreement" means a joinder agreement substantially in the form of Exhibit D executed and delivered in accordance with the provisions of Section 6.13.

"Judgment Currency" has the meaning specified in Section 11.22.

"Landlord Waiver" means a landlord or warehouse waiver substantially in the form of Exhibit M.

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

"L/C Advance" means, with respect to each Revolving Lender, such Lender's funding of its participation in any L/C Borrowing in accordance with its Applicable Percentage. All L/C Advances shall be denominated in Dollars.

"L/C Borrowing" means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Revolving Borrowing. All L/C Borrowings shall be denominated in Dollars.

"L/C Commitment" means, as to each L/C Issuer, its obligation to issue Letters of Credit to the Borrowers pursuant to Section 2.03 in an aggregate principal amount at any one time outstanding not to exceed $15,000,000, as such amount may be adjusted from time to time in accordance with this Agreement.

"L/C Credit Extension" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

"L/C Issuer" means Bank of America, through itself or through one of its designated Affiliates or branch offices, in its capacity as issuer of Letters of Credit hereunder, or any successor issuer of Letters of Credit hereunder.

"L/C Obligations" means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts (including all L/C Borrowings). For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn.

"Lender" means each of the Persons identified as a "Lender" on the signature pages hereto, each other Person that becomes a "Lender" in accordance with this Agreement and their successors and assigns, and, unless the context requires otherwise, the Swingline Lender, but excluding any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption. The term "Lender" shall include any Designated Lender.

"Lending Office" means, as to the Administrative Agent, the L/C Issuer or any Lender, the office or offices of such Person described as such in such Person's Administrative Questionnaire, or such other office or offices as such Person may from time to time notify the Borrowers and the Administrative Agent; which office may include any Affiliate of such Person or any domestic or foreign branch of such Person or such Affiliate.

"Letter of Credit" means any standby letter of credit issued hereunder. Letters of Credit may be issued in Dollars or in an Alternative Currency.

"Letter of Credit Application" means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the L/C Issuer.

"Letter of Credit Expiration Date" means the day that is seven (7) days prior to the Maturity Date (or, if such day is not a Business Day, the next preceding Business Day).

"Letter of Credit Fee" has the meaning specified in Section 2.03(h).

"Letter of Credit Sublimit" means an amount equal to the lesser of (a) $15,000,000 and (b) the Revolving Facility. The Letter of Credit Sublimit is part of, and not in addition to, the Revolving Facility.

"LIBOR" has the meaning specified in the definition of Eurocurrency Rate.

"LIBOR Daily Floating Rate" means:

(a) the fluctuating rate of interest, which can change on each Business Day, equal to LIBOR, or a comparable or successor rate which rate is approved by the Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at or about 11:00 a.m., London time, two (2) Business Days prior to the date in question, for Dollar deposits with a term equivalent to a one (1) month term beginning on that date (in such case, the "One Month LIBOR Rate"); and

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to the One Month LIBOR Rate;

provided that to the extent a comparable or successor rate is approved by the Administrative Agent in connection herewith, the approved rate shall be applied in a manner consistent with market practice; provided, further that (i) to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent and (ii) if the LIBOR Daily Floating Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

"LIBOR Quoted Currency" means Dollars, Euro, Sterling, Yen and Swiss Francs, in each case as long as there is a published LIBOR rate with respect thereto.

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or otherwise), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property and any financing lease having substantially the same economic effect as any of the foregoing).

"Loan" means an extension of credit by a Lender to any Borrower under Article II in the form of a Revolving Loan or a Swingline Loan.

"Loan Documents" means, collectively, (a) this Agreement, (b) the Notes, (c) the Guaranty, (d) the Collateral Documents, (e) the Fee Letter, (f) each Issuer Document, (g) each Joinder Agreement, (h) each

Designated Borrower Request and Assumption Agreement, (i) the Reaffirmation Agreement, (j) any agreement creating or perfecting rights in Cash Collateral pursuant to the provisions of Section 2.14 and (k) all other certificates, agreements, documents and instruments executed and delivered, in each case, by or on behalf of any Loan Party pursuant to the foregoing (but specifically excluding any Secured Hedge Agreement or any Secured Cash Management Agreement).

"Loan Notice" means a notice of (a) a Borrowing, (b) a conversion of Loans from one Type to the other, or (c) a continuation of Eurocurrency Rate Loans, pursuant to Section 2.02(a), which shall be substantially in the form of Exhibit E 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 applicable Borrower.

"Loan Parties" means, collectively, the Borrowers, each Designated Borrower and each Guarantor.

"London Banking Day" means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurocurrency market.

"Mandatory Cost" means any amount incurred periodically by any Lender during the term of the Revolving Facility which constitutes fees, costs or charges imposed on lenders generally in the jurisdiction in which such Lender is domiciled, subject to regulation, or has its Facility Office by any Governmental Authority.

"Master Agreement" has the meaning set forth in the definition of "Swap Contract."

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect upon, the operations, business, assets, properties, liabilities (actual or contingent) or financial condition of the Loan Parties and their respective Subsidiaries, taken as a whole; (b) a material impairment of the rights and remedies of the Administrative Agent or any Lender under any Loan Document, or of the ability of the Loan Parties (taken as a whole) to perform their obligations under any Loan Document; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party.

"Material Contract" means, with respect to any Person, each contract or agreement (a) to which such Person is a party involving aggregate consideration payable to or by such Person of $10,000,000 or more in any year or (b) otherwise material to the business, condition (financial or otherwise), operations, performance, properties or prospects of such Person or (c) any other contract, agreement, permit or license, written or oral, of any Borrower and its Subsidiaries as to which the breach, nonperformance, cancellation or failure to renew by any party thereto, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

"Material Domestic Subsidiary" means any Domestic Subsidiary of the Parent that, together with its Subsidiaries, (a) generates more than 5% of Consolidated EBITDA on a Pro Forma Basis for the applicable Measurement Period or (b) has total assets (including equity interests in other Subsidiaries and excluding investments that are eliminated in consolidation) of equal to or greater than 5% of the total assets of the Parent and its Subsidiaries, on a consolidated basis as of the end of such Measurement Period; provided, however, that if at any time there are Domestic Subsidiaries which are not classified as "Material Domestic Subsidiaries" but which collectively (i) generate more than 20% of Consolidated EBITDA on a Pro Forma Basis for the applicable Measurement Period or (ii) have total assets (including equity interests in other Subsidiaries and excluding investments that are eliminated in consolidation) of equal to or greater than 20% of the total assets of the Parent and its Subsidiaries on a Consolidated basis as of the end of such Measurement Period, then the Parent shall promptly designate one or more of such Domestic Subsidiaries

as Material Domestic Subsidiaries and cause any such Domestic Subsidiaries to comply with the provisions of Section 6.13 such that, after such Domestic Subsidiaries become Guarantors hereunder, the Domestic Subsidiaries that are not Guarantors shall (A) generate less than 20% of Consolidated EBITDA for the applicable Measurement Period and (B) have total assets of less than 20% of the total assets of the Parent and its Subsidiaries on a Consolidated basis as of the end of such Measurement Period.

"Maturity Date" means October 12, 2023; provided, however, that if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day.

"Measurement Period" means, at any date of determination (a) for purposes of Section 7.11, the period of four (4) fiscal quarters of the Parent ending on such date and (b) for purposes of determining Pro Forma Compliance, the most recently completed four (4) fiscal quarters of the Parent for which financial statements have been delivered pursuant to Section 6.01.

"Minimum Collateral Amount" means, at any time, (a) with respect to Cash Collateral consisting of cash or deposit account balances provided to reduce or eliminate Fronting Exposure during any period when a Lender constitutes a Defaulting Lender, an amount equal to 105% of the Fronting Exposure of the L/C Issuer with respect to Letters of Credit issued and outstanding at such time, (b) with respect to Cash Collateral consisting of cash or deposit account balances provided in accordance with the provisions of Section 2.14(a)(i), (a)(ii) or (a)(iii), an amount equal to 105% of the Outstanding Amount of all L/C Obligations, and (c) otherwise, an amount determined by the Administrative Agent and the L/C Issuer in their sole discretion.

"MGI BV" means MGI Luxury Group B.V., a Dutch entity.

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"Movado SA Equity Transfer" means (a) if MGI BV is the direct parent entity of Nederland BV at the time of such transfer, (i) the contribution by the Parent of 100% of the outstanding shares of Movado SA to MGI BV and (ii) the contribution by MGI BV of 100% of the outstanding shares of Movado SA to Nederland BV in each case on or about January 31, 2019 or (b) if the Parent is the direct parent entity of Nederland BV at the time of such transfer pursuant to transactions otherwise permitted by the terms of this Agreement, the contribution by the Parent of 100% of the outstanding shares of Movado SA to Nederland BV on or about January 31, 2019.

"Movado SA Equity Transfer Conditions" means: (a) the joinder of MGI BV (in the case of a Movado SA Equity Transfer described in clause (a) of the definition thereof) and Nederland BV as Foreign Guarantors hereunder pursuant to a joinder agreement in form and substance reasonably satisfactory to the Administrative Agent (which shall include customary Dutch law provisions to be agreed and amendments to any schedules to this Agreement or any other Loan Documents necessary to reflect the joinders and pledges contemplated hereunder) and (b) the execution by MGI BV (in the case of a Movado SA Equity Transfer described in clause (a) of the definition thereof) and Nederland BV of a pledge agreement under New York law in form and substance reasonably satisfactory to the Administrative Agent pursuant to which (i) in the case of a Movado SA Equity Transfer described in clause (a) of the definition thereof, MGI BV will pledge its equity interests in Nederland BV to the Administrative Agent in its capacity as administrative agent for the Secured Parties to secure MGI BV's obligations hereunder as a Foreign Guarantor and (ii) Nederland BV will pledge its equity interests in Movado SA to the Administrative Agent in its capacity as administrative agent for the Secured Parties to secure Nederland BV's obligations hereunder as a Foreign Guarantor.

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which any Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five (5) plan years, has made or been obligated to make contributions.

"Multiple Employer Plan" means a Plan which has two or more contributing sponsors (including any Borrower or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"Nederland BV" means Movado Group Nederland B.V, a Dutch entity.

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all Lenders or all affected Lenders in accordance with the terms of Section 11.01 and (b) has been approved by the Required Lenders.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"Non-Extension Notice Date" has the meaning specified in Section 2.03(b)(iv).

"Non-LIBOR Quoted Currency" means any currency other than a LIBOR Quoted Currency.

"Non-Swiss-Controlled Group Member" means, with respect to any Swiss Loan Party, the Parent and all direct and indirect Subsidiaries of the Parent other than those Subsidiaries that are also direct or indirect Subsidiaries of such Swiss Loan Party.

"Note" means any Revolving Note.

"Notice of Loan Prepayment" means a notice of prepayment with respect to a Loan, which shall be substantially in the form of Exhibit P 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.

"Obligations" means (a) all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan, or Letter of Credit and (b) all obligations for any costs and expenses incurred in connection with enforcement and collection of the foregoing, including the fees, charges and disbursements of counsel, arising under any Loan Document, in each case whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof pursuant to any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding; provided that Obligations of a Loan Party shall exclude any Excluded Swap Obligations with respect to such Loan Party.

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"Officer's Certificate" means a certificate substantially the form of Exhibit J or any other form approved by the Administrative Agent.

"One Month LIBOR Rate" has the meaning specified in the definition of LIBOR Daily Floating Rate.

"Organization Documents" means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction and including, with respect to a Swiss Loan Party, (i) a copy of a recent and up-to-date extract from the relevant commercial register pertaining to it certified by such commercial register and (ii) a recent and up-to-date copy of its articles of association, certified by the relevant commercial register); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement or limited liability company agreement (or equivalent or comparable documents with respect to any non-U.S. jurisdiction); (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization (or equivalent or comparable documents with respect to any non-U.S. jurisdiction) and (d) with respect to all entities, any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization (or equivalent or comparable documents with respect to any non-U.S. jurisdiction).

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.06).

"Outstanding Amount" means (a) with respect to Revolving Loans and Swingline Loans on any date, the Dollar Equivalent amount of the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Revolving Loans and Swingline Loans, as the case may be, occurring on such date; and (b) with respect to any L/C Obligations on any date, the Dollar Equivalent amount of the amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate Dollar Equivalent amount of the L/C Obligations as of such date, including as a result of any reimbursements by any Borrower of Unreimbursed Amounts.

"Overnight Rate" means, for any day, (a) with respect to any amount denominated in Dollars, the greater of (i) the Federal Funds Rate and (ii) an overnight rate determined by the Administrative Agent, the L/C Issuer, or the Swingline Lender, as the case may be, in accordance with banking industry rules on interbank compensation, and (b) with respect to any amount denominated in an Alternative Currency, an overnight rate determined by the Administrative Agent or the L/C Issuer, as the case may be, in accordance with banking industry rules on interbank compensation.

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

"Participant" has the meaning specified in Section 11.06(d).

"Participant Register" has the meaning specified in Section 11.06(d).

"Participating Member State" means any member state of the European Union that adopts or has adopted the Euro as its lawful currency in accordance with legislation of the European Union relating to economic and monetary union.

"PBGC" means the Pension Benefit Guaranty Corporation.

"Pension Act" means the Pension Protection Act of 2006.

"Pension Funding Rules" means the rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Section 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

"Pension Plan" means any employee pension benefit plan (including a Multiple Employer Plan or a Multiemployer Plan) that is maintained or is contributed to by any Borrower and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

"Perfection Certificate" means the perfection certificate delivered pursuant to Section 4.01 hereof.

"Permitted Acquisition" means an Acquisition by a Loan Party or Subsidiary of a Person or division, line of business or other business unit of a Person to be acquired in such Acquisition (the "Target") that is, or is engaged in, a type of business (or is comprised of assets used in a type of business) permitted to be engaged in by the Borrowers and their Subsidiaries pursuant to the terms of this Agreement (a "Permitted Business"), in each case so long as:

(a) no Default shall then exist or would exist after giving effect thereto;

(b) the Loan Parties shall demonstrate to the reasonable satisfaction of the Administrative Agent that, after giving effect to the Acquisition, on a Pro Forma Basis, (i) the Loan Parties are in Pro Forma Compliance and (ii) the Consolidated Leverage Ratio shall be at least 0.25 to 1.0 less than the then applicable level set forth in Section 7.11, calculated using the same Measurement Period used to determine Pro Forma Compliance;

(c) the applicable Loan Parties shall have complied with Sections 6.13 and 6.14, as applicable;

(d) the Administrative Agent, on behalf of the Secured Parties, shall have received not less than (i) ten (10) Business Days (or such shorter period as the Administrative Agent may agree) prior to the consummation of any Permitted Acquisition having a Cost of Acquisition in excess of $50,000,000, (A) written notice of the proposed Acquisition and a description of the material terms of such Acquisition and (B) a due diligence package relative to the proposed Acquisition, including forecasted balance sheets, profit and loss statements, and cash flow statements of the Person to be acquired, all prepared on a basis consistent with such Person's historical financial statements, together with appropriate supporting details and a statement of underlying assumptions for the one (1) year period following the date of the proposed Acquisition, on a quarter by quarter basis and (ii) five (5) Business Days (or such shorter period as the Administrative Agent may agree) prior to the consummation of such Permitted Acquisition, (A) copies of the acquisition agreement and other material documents relative to the proposed Acquisition and (B) a Permitted Acquisition Certificate, executed by a Responsible Officer of the Parent certifying that such Permitted Acquisition complies with the requirements of this Agreement;

(e) such Acquisition shall not be a "hostile" Acquisition and shall have been approved by the board of directors (or equivalent) and/or shareholders (or equivalent) of the applicable Loan Party and the Target;

(f) after giving effect to such Acquisition and any Borrowings made in connection therewith, the aggregate principal amount of Revolving Loans available to be borrowed under Section 2.01 hereof shall be at least $15,000,000; and

(g) with respect to any Acquisitions by any Subsidiary that is not a Loan Party, the aggregate Cost of Acquisition for all such Permitted Acquisitions following the Closing Date and during the term of this Agreement shall not exceed $75,000,000.

"Permitted Acquisition Certificate" means a certificate substantially the form of Exhibit F or any other form approved by the Administrative Agent.

"Permitted Business" has the meaning set forth in the definition of "Permitted Acquisition."

"Permitted Liens" has the meaning set forth in Section 7.01.

"Permitted Tax Distributions" means, for so long as any Borrower is treated as a partnership for federal income tax purposes, aggregate cash distributions by any Borrower to its members in amounts sufficient to allow such members to pay their estimated and final federal, state and local income tax liabilities, based on the Effective Tax Rate (as defined herein), deemed to arise from the taxable income of the Person making such distribution (such taxable income calculated taking into account any additional deductions or losses available to a member as a result of any basis adjustment pursuant to Section 743 of the Code and taking into account losses, if any, of the distributing Person from prior periods which are permitted to be applied by the members to offset income in the current period, such losses to be applied on a member-by-member basis so that the excess losses of one member shall not be netted hereunder against the taxable income of another member) without regard to the amount of the members' actual federal, state and local income tax liabilities. Such distributions may be made not more frequently than quarterly with respect to each period for which an installment of estimated tax would be required to be paid by the members of the Person making such distribution (and then, not more than thirty (30) days prior to the due date of the taxes which are the subject of such distribution), except that an additional final distribution may be made after the final taxable income of any Borrower for any fiscal year has been determined in an amount equal to the excess of the income tax liability of the members of the applicable Borrower as computed herein with respect to the immediately preceding taxable year over the aggregate amount of any prior Permitted Tax Distributions made to the members with respect to such taxable year; provided, the maximum aggregate amount of Permitted Tax Distributions for any such period made to each member shall not exceed the product of (a) the taxable income of the Person making such distribution (calculated as described above) allocable to such member (taking into account any additional deductions or losses available to the members as a result of any basis adjustment pursuant to Section 743 and taking into account losses, if any, of the distributing Person from prior periods which are permitted to be applied by such member to offset income in the current period) for such period, multiplied by (b) the Effective Tax Rate allocable to such member. The Effective Tax Rate shall be equal to the sum of (i) the highest individual or corporate marginal federal income tax rate applicable to any member for the applicable year and (ii) the percentage with respect to state and local income tax rates for that year that the board of managers of the Person making the Permitted Tax Distributions determines in good faith is appropriate (provided that such percentage shall not exceed the highest state and local income tax rates applicable to any member).

"Permitted Transfers" means (a) Dispositions of inventory in the ordinary course of business; (b) Dispositions of property to any Borrower or any Subsidiary; provided, that if the transferor of such property is a Loan Party then the transferee thereof must be a Loan Party; (c) Dispositions of accounts receivable in connection with the collection or compromise thereof; (d) licenses, sublicenses, leases or subleases granted to third parties not interfering in any material respect with the business of any Borrower and its Subsidiaries; (e) the sale or disposition of Cash Equivalents in the ordinary course of business and (f) Resale Transactions.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan), maintained for employees of any Borrower or any ERISA Affiliate or any such Plan to which any Borrower or any ERISA Affiliate is required to contribute on behalf of any of its employees.

"Platform" has the meaning specified in Section 6.02.

"Pledged Equity" has the meaning specified in the Security Agreement.

"Pro Forma Basis" and "Pro Forma Effect" means, for any Disposition of all or substantially all of a division or a line of business or for any Acquisition, whether actual or proposed, for purposes of determining compliance with the financial covenants set forth in Section 7.11 or a test based on the Consolidated Leverage Ratio with respect to a Measurement Period, each such transaction or proposed transaction shall be deemed to have occurred on and as of the first day of the relevant Measurement Period, and the following pro forma adjustments shall be made:

(a) in the case of an actual or proposed Disposition, all income statement items (whether positive or negative) attributable to the line of business or the Person subject to such Disposition shall be excluded from the results of any Borrower and its Subsidiaries for such Measurement Period as if such Disposition was consummated on the first day of the applicable Measurement Period;

(b) in the case of an actual or proposed Acquisition, income statement items (whether positive or negative) attributable to the property, line of business or the Person subject to such Acquisition shall be included in the results of any Borrower and its Subsidiaries for such Measurement Period, and such pro forma calculations may reflect operating expense reductions and other operating improvements and synergies from the applicable event projected by the Parent in good faith to be realized based on actions to be taken within 12 months after the applicable Acquisition is consummated, net of the amount of actual benefits realized during such Measurement Period from such actions and all costs required to achieve such reductions, improvements and synergies, in each case, as if such Acquisition was consummated on the first day of the applicable Measurement Period; provided that all such expense reductions, improvements and synergies reflected pursuant to this Section shall not exceed 5% of the Consolidated EBITDA of the Parent and its Subsidiaries and the Target on a pro forma basis;

(c) interest, fees and other expenses accrued during the relevant Measurement Period on, and the principal of, any Indebtedness repaid or to be repaid or refinanced in such transaction shall be excluded from the results of any Borrower and its Subsidiaries for such Measurement Period as if such Indebtedness were repaid or refinanced on the first day of the applicable Measurement Period; and

(d) any Indebtedness actually or proposed to be incurred or assumed in such transaction shall be deemed to have been incurred as of the first day of the applicable Measurement Period, and interest thereon shall be deemed to have accrued from such day on such Indebtedness at the applicable rates provided therefor (and in the case of interest that does or would accrue at a formula or floating rate, at the rate in effect at the time of determination), taking into account any Swap Contract applicable to such Indebtedness, and shall be included in the results of any Borrower and its Subsidiaries for such Measurement Period.

"Pro Forma Compliance" means, with respect to any transaction, that such transaction does not cause, create or result in a Default after giving Pro Forma Effect, based upon the results of operations for the most recently completed Measurement Period to (a) such transaction and (b) all other transactions which are contemplated or required to be given Pro Forma Effect hereunder that have occurred on or after the first day of the relevant Measurement Period.

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Public Lender" has the meaning specified in Section 6.02.

"Qualified ECP Guarantor" means, at any time, each Loan Party with total assets exceeding $10,000,000 or that qualifies at such time as an "eligible contract participant" under the Commodity Exchange Act and can cause another Person to qualify as an "eligible contract participant" at such time under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"Rate Determination Date" means two (2) Business Days prior to the commencement of such Interest Period (or such other day as is generally treated as the rate fixing day by market practice in such interbank market, as determined by the Administrative Agent; provided that to the extent such market practice is not administratively feasible for the Administrative Agent, then "Rate Determination Date" means such other day as otherwise reasonably determined by the Administrative Agent).

"Reaffirmation Agreement" means that certain Omnibus Reaffirmation of Loan Documents dated as of the Closing Date by and among the Domestic Borrowers and the Administrative Agent.

"Real Property" means any real property owned by a Loan Party.

"Recipient" means (a) the Administrative Agent, (b) any Lender, or (c) the L/C Issuer, as applicable.

"Reduction Amount" has the meaning set forth in Section 2.05(b)(viii).

"Register" has the meaning specified in Section 11.06(c).

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty (30) day notice period has been waived.

"Request for Credit Extension" means (a) with respect to a Borrowing, conversion or continuation of Revolving Loans, a Loan Notice, (b) with respect to an L/C Credit Extension, a Letter of Credit Application, and (c) with respect to a Swingline Loan, a Swingline Loan Notice.

"Required Lenders" means, at any time, (i) Lenders having Total Credit Exposures representing at least 66-2/3% of the Total Credit Exposures of all Lenders or (ii) if one Lender holds more than 66-2/3% of the Total Credit Exposures, at least two (2) Lenders. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time; provided that, the amount of any participation in any Swingline Loan and Unreimbursed Amounts that such Defaulting Lender has failed to fund that have not been reallocated to and funded by another Lender shall be deemed to be held by the Lender that is the Swingline Lender or L/C Issuer, as the case may be, in making such determination.

"Resale Transaction" means the sale, transfer or other disposition by any Borrower or Subsidiary of any asset acquired after the Closing Date pursuant to an Acquisition that is not necessary for the operation of the business of Borrowers and their Subsidiaries; provided that within 180 days after the consummation of such Permitted Acquisition, the Administrative Agent receives written notice from a Borrower identifying such asset with reasonable specificity and stating such that such asset is being held for disposition in a Resale Transaction.

"Resignation Effective Date" has the meaning set forth in Section 9.06.

"Responsible Officer" means the chief executive officer, president, chief operating officer, chief financial officer, treasurer, assistant treasurer, controller, secretary, director or member or any other duly appointed authorized signatory of a Loan Party and, solely for purposes of notices given pursuant to Article II, any other officer 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. To the extent requested by the Administrative Agent, each Responsible Officer will provide an incumbency certificate and to the extent requested by the Administrative Agent, appropriate authorization documentation, in form and substance reasonably satisfactory to the Administrative Agent.

"Restricted Payment" means (a) any dividend or other distribution (including without limitation Permitted Tax Distributions), direct or indirect, on account of any shares (or equivalent) of any class of Equity Interests of the Parent or any of its Subsidiaries, now or hereafter outstanding, (b) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares (or equivalent) of any class of Equity Interests of the Parent or any of its Subsidiaries, now or hereafter outstanding, and (c) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of Equity Interests of any Loan Party or any of its Subsidiaries, now or hereafter outstanding.

"Revaluation Date" means (a) with respect to any Revolving Loan, each of the following: (i) each date of a Revolving Borrowing of a Eurocurrency Rate Loan denominated in an Alternative Currency, (ii) each date of a continuation of a Eurocurrency Rate Loan denominated in an Alternative Currency pursuant to Section 2.02, and (iii) such additional dates as the Administrative Agent shall determine or the Required Lenders shall require; and (b) with respect to any Letter of Credit, each of the following: (i) each date of issuance, amendment and/or extension of a Letter of Credit denominated in an Alternative Currency, (ii) each date of any payment by the L/C Issuer under any Letter of Credit denominated in an Alternative Currency, (iii) in the case of all Existing Letters of Credit denominated in Alternative Currencies, the Closing Date, and (iv) such additional dates as the Administrative Agent or the L/C Issuer shall determine or the Required Lenders shall require.

"Revolving Borrowing" means a borrowing consisting of simultaneous Revolving Loans of the same Type and, in the case of Eurocurrency Rate Loans, having the same Interest Period made by each of the Revolving Lenders pursuant to Section 2.01.

"Revolving Commitment" means, as to each Revolving Lender, its obligation to (a) make Revolving Loans to the Borrowers pursuant to Section 2.01, (b) purchase participations in L/C Obligations, and (c) purchase participations in Swingline Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 1.01(b) under the caption "Revolving Commitment" or opposite such caption in the Assignment and Assumption pursuant to

which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. The Revolving Commitments of all of the Revolving Lenders on the Closing Date shall be $100,000,000.

"Revolving Exposure" means, as to any Lender at any time, the aggregate principal amount at such time of its outstanding Revolving Loans and such Lender's participation in L/C Obligations and Swingline Loans at such time.

"Revolving Facility" means, at any time, the amount of the Aggregate Commitments at such time.

"Revolving Lender" means, at any time, (a) so long as any Revolving Commitment is in effect, any Lender that has a Revolving Commitment at such time or (b) if the Revolving Commitments have terminated or expired, any Lender that has a Revolving Loan or a participation in L/C Obligations or Swingline Loans at such time.

"Revolving Loan" has the meaning specified in Section 2.01.

"Revolving Note" means a promissory note made by each Borrower in favor of a Revolving Lender evidencing (a) Revolving Loans made by such Revolving Lender, substantially in the form of Exhibit G or (b) Swingline Loans made by such Revolving Lender, substantially in the form of Exhibit I.

"S&P" means Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc., and any successor thereto.

"Sale and Leaseback Transaction" means, with respect to any Loan Party or any Subsidiary, any arrangement, directly or indirectly, with any Person whereby such Loan Party or such Subsidiary shall sell or transfer any property used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold or transferred.

"Same Day Funds" means (a) with respect to disbursements and payments in Dollars, immediately available funds, and (b) with respect to disbursements and payments in an Alternative Currency, same day or other funds as may be determined by the Administrative Agent or the L/C Issuer, as the case may be, to be customary in the place of disbursement or payment for the settlement of international banking transactions in the relevant Alternative Currency.

"Sanction(s)" means any sanction administered or enforced by the United States Government (including, without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty's Treasury ("HMT") or other relevant sanctions authority.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Secured Cash Management Agreement" means any Cash Management Agreement between any Loan Party, or any of its Subsidiaries, and any Cash Management Bank.

"Secured Hedge Agreement" means any interest rate, currency, foreign exchange, or commodity Swap Contract required or permitted under Article VI or VII between any Loan Party, or any of its Subsidiaries, and any Hedge Bank.

"Secured Obligations" means all Obligations, all Foreign Subsidiary Secured Obligations and all Additional Secured Obligations.

"Secured Parties" means, collectively, the Administrative Agent, the Lenders (including Designated Lenders), the L/C Issuer, the Hedge Banks, the Cash Management Banks, Foreign Obligation Providers, the Indemnitees and each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to Section 9.05.

"Secured Party Designation Notice" means a notice from any Lender or an Affiliate of a Lender and the Parent (such notice by the Parent not to be unreasonably delayed) substantially in the form of Exhibit H.

"Securities Act" means the Securities Act of 1933, including all amendments thereto and regulations promulgated thereunder.

"Security Agreement" means the security and pledge agreement, dated as of the Closing Date, executed in favor of the Administrative Agent by each of the Loan Parties.

"Securitization Transaction" means, with respect to any Person, any financing transaction or series of financing transactions (including factoring arrangements) pursuant to which such Person or any Subsidiary of such Person may sell, convey or otherwise transfer, or grant a security interest in, accounts, payments, receivables, rights to future lease payments or residuals or similar rights to payment to a special purpose subsidiary or affiliate of such Person.

"Significant Subsidiary" means any Foreign Subsidiary of the Parent that as of any date of determination (a) generates more than 5% of Consolidated EBITDA on a Pro Forma Basis for the applicable Measurement Period or (b) has total assets (including Equity Interests in other Subsidiaries and excluding investments that are eliminated in consolidation) of equal to or greater than 5% of the total assets of the Parent and its Subsidiaries, on a consolidated basis as of the end of such Measurement Period.

"Solvent" and "Solvency" mean, with respect to any Person on any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair saleable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature, (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute an unreasonably small capital, and (e) such Person is able to pay its debts and liabilities, contingent obligations and other commitments as they mature in the ordinary course of business. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Special Notice Currency" means at any time an Alternative Currency, other than the currency of a country that is a member of the Organization for Economic Cooperation and Development at such time located in North America or Europe.

"Specified Loan Party" means any Loan Party that is not then an "eligible contract participant" under the Commodity Exchange Act (determined prior to giving effect to Section 10.11).

"Spot Rate" for a currency means the rate determined by the Administrative Agent or the L/C Issuer, as applicable, 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 11:00 a.m. on the date two (2) Business Days prior to the date as of which the foreign exchange computation is made; provided that the Administrative Agent or the L/C Issuer may

obtain such spot rate from another financial institution designated by the Administrative Agent or the L/C Issuer if the Person acting in such capacity does not have as of the date of determination a spot buying rate for any such currency; and provided further that the L/C Issuer may use such spot rate quoted on the date as of which the foreign exchange computation is made in the case of any Letter of Credit denominated in an Alternative Currency.

"Sterling" and means the lawful currency of the United Kingdom.

"Subsidiary" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of Voting Stock is at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Parent.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Swap Obligations" means with respect to any Loan Party any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.

"Swap Termination Value" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

"Swingline Borrowing" means a borrowing of a Swingline Loan pursuant to Section 2.04.

"Swingline Lender" means Bank of America, in its capacity as provider of Swingline Loans, or any successor swingline lender hereunder.

"Swingline Loan" has the meaning specified in Section 2.04(a).

"Swingline Loan Notice" means a notice of a Swingline Borrowing pursuant to Section 2.04(b), which shall be substantially in the form of Exhibit I or such other form as 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 Parent.

"Swingline Sublimit" means an amount equal to the lesser of (a) $25,000,000 and (b) the Revolving Facility. The Swingline Sublimit is part of, and not in addition to, the Revolving Facility.

"Swiss 10 Non-Bank Rule" means the rule that the aggregate number of creditors (including the Lenders) under any Loan, which are Swiss Non-Qualifying Banks, must not exceed 10 (ten), all in accordance with the meaning of the applicable Swiss Guidelines and/or any legislation or explanatory notes addressing each such issue which is in force at the relevant time.

"Swiss 20 Non-Bank Rule" means the rule that the aggregate number of creditors (including the Lenders), other than Swiss Qualifying Banks, of a Swiss Borrower under all outstanding debts relevant for classification as debentures (*Kassenobligation*) (within the meaning of the applicable Swiss Guidelines and Swiss tax laws), such as (intragroup) loans (if and to the extent intragroup loans are not exempt in accordance with article 14(a) of the Swiss Federal Ordinance on Swiss withholding tax), facilities and/or private placements (including under the Loan Documents) must not at any time exceed 20 (twenty), all in accordance with the meaning of the applicable Swiss Guidelines and/or any legislation or explanatory notes addressing each such issue which is in force at the relevant time.

"Swiss Borrower" means a Foreign Borrower which is organized under the laws of Switzerland or, if different, is considered to be tax resident in Switzerland for Swiss Withholding Tax purposes.

"Swiss Capped Amount" means the amount of the applicable Swiss Loan Party's freely disposable equity available for distribution by way of dividend to the shareholders of the Swiss Loan Party in accordance with Swiss law and presently being the Swiss Loan Party's total shareholder equity less the total of (i) its aggregate share capital and (ii) statutory reserves (to the extent such reserves cannot be transferred into unrestricted, distributable reserves and taking into account (by way of deducting) any upstream or cross-stream loans not granted on arm's length terms), which amount shall be determined on the basis of an up-to-date audited interim balance sheet of the Swiss Loan Party prepared for such determination and approved by the auditors of the Swiss Loan Party as a distributable amount.

"Swiss Federal Tax Administration" means the tax authorities referred to in article 34 of the Swiss Federal Act on Withholding Tax of 13 October 1965 (Bundesgesetz über die Verrechnungssteuer, SR 642.21).

"Swiss Franc" means the lawful currency of Switzerland.

"Swiss Loan Party" means a Loan Party that is domiciled in Switzerland.

"Swiss Guidelines" means, together, guideline S-02.123 in relation to interbank loans of 22 September 1986 (*Merkblatt "Verrechnungssteuer auf Zinsen von Bankguthaben, deren Gläubiger Banken sind (Interbankguthaben)" vom 22. September 1986*), guideline S-02.122.1 in relation to bonds of April 1999 (*Merkblatt "Obligationen" vom April 1999*), guideline S-02.130.1 in relation to money market instruments and book claims of April 1999 (*Merkblatt vom April 1999 betreffend Geldmarktpapiere und Buchforderungen inländischer Schuldner*), guideline S-02.128 in relation to syndicated credit facilities of January 2000 (*Merkblatt "Steuerliche Behandlung von Konsortialdarlehen, Schuldscheindarlehen, Wechseln und Unterbeteiligungen" vom Januar 2000*), circular letter no. 34 of 26 July 2011 (1-034-V-2011) in relation to deposits (*Kreisschreiben Nr. 34 "Kundenguthaben" vom 26. Juli 2011*), and the circular letter no. 15 of 3 October 2017 (1-015-DVS-2017) in relation to bonds and derivative financial instruments as subject matter of taxation of Swiss federal income tax, Swiss withholding tax, and Swiss stamp taxes (*Kreisschreiben Nr. 15 "Obligationen und derivative Finanzinstrumente als Gegenstand der direkten Bundessteuer, der Verrechnungssteuer und der Stempelabgaben" vom 3. Oktober 2017*), in each case as issued, amended or replaced from time to time, by the Swiss Federal Tax Administration or as substituted

or superseded and overruled by any law, statute, ordinance, court decision, regulation or the like as in force from time to time.

"Swiss Non-Bank Rules" means the Swiss 10 Non-Bank Rule and the Swiss 20 Non-Bank Rule.

"Swiss Non-Qualifying Bank" means a person or entity which is not a Swiss Qualifying Bank.

"Swiss Qualifying Bank" means a person or entity (including any commercial bank or financial institution (irrespective of its jurisdiction of organization)) which effectively conducts banking activities with its own infrastructure and staff as its principal business purpose and which has a banking license in full force and effect issued in accordance with the banking laws in force in its jurisdiction of incorporation, or if acting through a branch, issued in accordance with the banking laws in the jurisdiction of such branch, all in accordance with the Swiss Guidelines.

"Swiss Restricted Obligations" has the meaning given to it in Section 11.25.

"Swiss Withholding Tax" means the tax levied pursuant to the Swiss Federal Act on Withholding Tax (*Bundesgesetz über die Verrechnungssteuer vom 13. Oktober 1965, SR 642.21*), together with the related ordinances, regulations and the Swiss Guidelines, all as amended and applicable from time to time.

"Synthetic Debt" means, with respect to any Person as of any date of determination thereof, all obligations of such Person in respect of transactions entered into by such Person that are intended to function primarily as a borrowing of funds (including any minority interest transactions that function primarily as a borrowing) but are not otherwise included in the definition of "Indebtedness" or as a liability on the Consolidated balance sheet of such Person and its Subsidiaries in accordance with GAAP.

"Synthetic Lease Obligation" means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property (including Sale and Leaseback Transactions), in each case, creating obligations that do not appear on the balance sheet of such Person but which, upon the application of any Debtor Relief Laws to such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

"Target" has the meaning set forth in the definition of "Permitted Acquisition."

"TARGET2" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on November 19, 2007.

"TARGET Day" means any day on which TARGET2 (or, if such payment system ceases to be operative, such other payment system, if any, determined by the Administrative Agent to be a suitable replacement) is open for the settlement of payments in Euro.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Third Party Funds" shall mean (a) any accounts or funds, or any portion thereof, received by any Loan Party as agent on behalf of third parties in accordance with a written agreement that imposes a duty upon a Loan Party to collect and remit those funds to such third parties, (b) any accounts established for employee benefits, withholding tax, customs or other fiduciary purposes and (c) any deposits permitted under Section 7.01.

"Threshold Amount" means $10,000,000.

"Total Credit Exposure" means, as to any Lender at any time, the unused Revolving Commitments and the Revolving Exposure of such Lender at such time.

"Total Revolving Outstandings" means the aggregate Outstanding Amount of all Revolving Loans, Swingline Loans and L/C Obligations.

"Type" means, with respect to a Loan, its character as a Base Rate Loan or a Eurocurrency Rate Loan.

"UCC" means the Uniform Commercial Code as in effect in the State of New York; provided that, if perfection or the effect of perfection or non-perfection or the priority of any security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"UCP" means, with respect to any Letter of Credit, the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce ("ICC") Publication No. 600 (or such later version thereof as may be in effect at the time of issuance).

"United States" and "U.S." mean the United States of America.

"Unreimbursed Amount" has the meaning specified in Section 2.03(c)(i).

"U.S. Loan Party" means any Loan Party that is organized under the laws of one of the states of the United States and that is not a CFC.

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning specified in Section 3.01(e)(ii)(B)(3).

"Voting Stock" means, with respect to any Person, Equity Interests issued by such Person the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, whether or not the right to so vote has been suspended by the happening of such contingency.

"Watch Tariff Matter" means the pending audit by U.S. Customs and Border Protection ("U.S. Customs") of the Parent's methodology for allocating the cost of certain watch styles imported in the U.S. among the component partys of those watches for tariff purposes, pursuant to which U.S. Customs issued an audit report in December 2016 proposing an alternative methodology that would imply approximately $5,100,000 in underpaid duties of the five year period within the applicable statute of limitations, plus possible penalties and interest.

"Wholly-owned" means, with respect to a Subsidiary of a Person, 100% of the outstanding Equity Interests of such Subsidiary (other than directors' or nominee shares required under Law) are owned by such Person or one or more Wholly-owned Subsidiaries of such Person.

"Withholding Agent" means any Loan Party and the Administrative Agent.

"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.

1.02 Other Interpretive Provisions.

With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including the Loan Documents and any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, modified, extended, restated, replaced or supplemented from time to time (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "hereto," "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Preliminary Statements, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Preliminary Statements, Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory rules, regulations, orders and provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified, extended, restated, replaced or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. Any and all references to "Borrower" regardless of whether preceded by the term a, any, each of, all, and/or, the, or any other similar term shall be deemed to refer, as the context requires, to each and every (and/or any one or all) parties constituting a Borrower, individually and/or in the aggregate.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

1.03 Accounting Terms.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise

specifically prescribed herein. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Borrowers and their Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 on financial liabilities shall be disregarded.

(b) Changes in GAAP. If at any time any change in GAAP (including the adoption of IFRS) would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Parent or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Parent shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP as in effect prior to such change therein and (ii) the Parent shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Without limiting the foregoing, leases shall continue to be classified and accounted for on a basis consistent with that reflected in the Audited Financial Statements for all purposes of this Agreement, notwithstanding any change in GAAP relating thereto, unless the parties hereto shall enter into a mutually acceptable amendment (pursuant to Section 11.01) addressing such changes, as provided for above.

(c) Pro Forma Treatment. Each Disposition of all or substantially all of a line of business, and each Acquisition, by any Borrower and its Subsidiaries that is consummated during any Measurement Period shall, for purposes of determining compliance with the financial covenants set forth in Section 7.11 and for purposes of determining the Applicable Rate, be given Pro Forma Effect as of the first day of such Measurement Period.

1.04 Rounding.

Any financial ratios required to be maintained by the Borrowers pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.05 Times of Day.

Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

1.06 Letter of Credit Amounts.

Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the Dollar Equivalent of 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 Dollar Equivalent of the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

1.07 UCC Terms.

Terms defined in the UCC in effect on the Closing Date and not otherwise defined herein shall, unless the context otherwise indicates, have the meanings provided by those definitions. Subject to the foregoing, the term "UCC" refers, as of any date of determination, to the UCC then in effect.

1.08 Currency Equivalents; Exchange Rates.

(a) The Administrative Agent or the L/C Issuer, as applicable, shall determine the Spot Rates as of each Revaluation Date to be used for calculating Dollar Equivalent amounts of Credit Extensions and Outstanding Amounts denominated in Alternative Currencies. Such Spot Rates shall become effective as of such Revaluation Date and shall be the Spot Rates employed in converting any amounts between the applicable currencies until the next Revaluation Date to occur. Except for purposes of financial statements delivered by Loan Parties hereunder or calculating financial covenants hereunder or except as otherwise provided herein, the applicable amount of any currency (other than Dollars) for purposes of the Loan Documents shall be such Dollar Equivalent amount as so determined by the Administrative Agent or the L/C Issuer, as applicable.

(b) Wherever in this Agreement in connection with a Revolving Borrowing, the conversion, continuation or prepayment of a Eurocurrency Rate Loan or the issuance, amendment or extension of a Letter of Credit, an amount, such as a required minimum or multiple amount, is expressed in Dollars, but such Revolving Borrowing, Eurocurrency Rate Loan or Letter of Credit is denominated in an Alternative Currency, such amount shall be the relevant Alternative Currency Equivalent of such Dollar amount (rounded to the nearest unit of such Alternative Currency, with 0.5 of a unit being rounded upward), as determined by the Administrative Agent or the L/C Issuer, as the case may be.

(c) 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.

1.09 Additional Alternative Currencies.

(a) A Borrower may from time to time request that Eurocurrency Rate Loans be made and/or Letters of Credit be issued in a currency other than those specifically listed in the definition of "Alternative Currency"; provided that (i) such requested currency is an Eligible Currency and (ii) such requested currency shall only be treated as a "LIBOR Quoted Currency" to the extent that there is a published LIBOR rate for such currency. In the case of any such request with respect to the making of Eurocurrency Rate Loans, such request shall be subject to the approval of the Administrative Agent and each Lender with a Commitment under which such currency is requested to be made available; 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 L/C Issuer in their sole discretion.

(b) Any such request shall be made to the Administrative Agent not later than 11:00 a.m., twenty (20) Business Days prior to the date of the desired Credit Extension (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 L/C Issuer, in its or their sole discretion). In the case of any such request pertaining to Eurocurrency Rate Loans, the Administrative Agent shall promptly notify each Appropriate Lender thereof; and in the case of any such request pertaining to Letters of Credit, the Administrative Agent shall promptly notify the L/C Issuer thereof. Each Appropriate Lender (in the case of any such request pertaining to Eurocurrency Rate Loans) or the L/C Issuer (in the case of a request pertaining to Letters of Credit) shall

notify the Administrative Agent, not later than 11:00 a.m., ten (10) Business Days after receipt of such request whether it consents, in its sole discretion, to the making of Eurocurrency Rate Loans or the issuance of Letters of Credit, as the case may be, in such requested currency.

(c) Any failure by a Lender or the L/C Issuer, 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 the L/C Issuer, as the case may be, to permit Eurocurrency Rate Loans to be made or Letters of Credit to be issued in such requested currency. If the Administrative Agent and all the Appropriate Lenders consent to making Eurocurrency Rate Loans in such requested currency and the Administrative Agent and such Lenders reasonably determine that an appropriate interest rate is available to be used for such requested currency, the Administrative Agent shall so notify the Borrowers and (i) the Administrative Agent, the Borrowers and such Lenders may amend the definition of Eurocurrency Rate for any Non-LIBOR Quoted Currency to the extent necessary to add the applicable Eurocurrency Rate for such currency and (ii) to the extent the definition of Eurocurrency Rate reflects the appropriate interest rate for such currency or has been amended to reflect the appropriate rate for such currency, such currency shall thereupon be deemed for all purposes to be an Alternative Currency for purposes of any Borrowings of Eurocurrency Rate Loans. If the Administrative Agent and the L/C Issuer consent to the issuance of Letters of Credit in such requested currency, the Administrative Agent shall so notify the Borrowers and (A) the Administrative Agent, the Borrowers and the L/C Issuer may amend the definition of Eurocurrency Rate for any Non-LIBOR Quoted Currency to the extent necessary to add the applicable Eurocurrency Rate for such currency and (B) to the extent the definition of Eurocurrency Rate reflects the appropriate interest rate for such currency or has been amended to reflect the appropriate rate for such currency, such currency shall thereupon be deemed for all purposes to be an Alternative Currency, 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 1.09, the Administrative Agent shall promptly so notify the Borrowers.

1.10 Change of Currency.

Each obligation of a Borrower to make a payment denominated in the national currency unit of any member state of the European Union that adopts the Euro as its lawful currency after the date hereof shall be redenominated into Euro at the time of such adoption. If, in relation to the currency of any such member state, the basis of accrual of interest expressed in this Agreement in respect of that currency shall be inconsistent with any convention or practice in the London interbank market for the basis of accrual of interest in respect of the Euro, such expressed basis shall be replaced by such convention or practice with effect from the date on which such member state adopts the Euro as its lawful currency; provided that if any Revolving Borrowing in the currency of such member state is outstanding immediately prior to such date, such replacement shall take effect, with respect to such Revolving Borrowing, at the end of the then current Interest Period.

Each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify to be appropriate to reflect the adoption of the Euro by any member state of the European Union and any relevant market conventions or practices relating to the Euro.

Each provision of this Agreement also shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify to be appropriate to reflect a change in currency of any other country and any relevant market conventions or practices relating to the change in currency.

ARTICLE II

COMMITMENTS AND CREDIT EXTENSIONS

2.01 Revolving Loans.

Subject to the terms and conditions set forth herein, each Revolving Lender severally agrees to make loans (each such loan, a "Revolving Loan") to each of the Borrowers in Dollars or in one or more Alternative Currencies, from time to time, on any Business Day during the Availability Period, in an aggregate amount not to exceed at any time outstanding the amount of such Lender's Revolving Commitment; provided, however, that after giving effect to any Revolving Borrowing, (i) the Total Revolving Outstandings shall not exceed the Revolving Facility, (ii) the Revolving Exposure of any Lender shall not exceed such Revolving Lender's Revolving Commitment, and (iii) the aggregate Outstanding Amount of all Revolving Loans made to Foreign Borrowers shall not exceed the Foreign Borrower Sublimit. Within the limits of each Revolving Lender's Revolving Commitment, and subject to the other terms and conditions hereof, the Borrowers may each borrow Revolving Loans, prepay under Section 2.05, and reborrow under this Section 2.01. Revolving Loans may be Base Rate Loans or Eurocurrency Rate Loans, as further provided herein; provided, however, that any Revolving Borrowings made on the Closing Date or any of the three (3) Business Days following the Closing Date shall be made as Base Rate Loans unless the Borrowers deliver a Funding Indemnity Letter not less than three (3) Business Days prior to the date of such Revolving Borrowing.

2.02 Borrowings, Conversions and Continuations of Loans.

(a) Notice of Borrowing. Each Borrowing, each conversion of Loans from one Type to the other, and each continuation of Eurocurrency Rate Loans shall be made upon the applicable Borrower's irrevocable notice to the Administrative Agent, which may be given by: (A) telephone or (B) a Loan Notice; provided that any telephonic notice must be confirmed promptly by delivery to the Administrative Agent of a Loan Notice. Each such Loan Notice must be received by the Administrative Agent not later than 11:00 a.m., (i) three (3) Business Days prior to the requested date of any Borrowing of, conversion to or continuation of Eurocurrency Rate Loans denominated in Dollars or of any conversion of Eurocurrency Rate Loans denominated in Dollars to Base Rate Loans, (ii) four (4) Business Days (or five (5) Business Days in the case of a Special Notice Currency) prior to the requested date of any Borrowing or continuation of Eurocurrency Rate Loans denominated in Alternative Currencies, and (iii) on the requested date of any Borrowing of Base Rate Loans; provided, however, that if the applicable Borrower wishes to request Eurocurrency Rate Loans having an Interest Period other than one (1), two (2), three (3) or six (6) months in duration as provided in the definition of "Interest Period", the applicable notice must be received by the Administrative Agent not later than 11:00 a.m. (i) four (4) Business Days prior to the requested date of such Borrowing, conversion or continuation of Eurocurrency Rate Loans denominated in Dollars, or (ii) five (5) Business Days (or six (6) Business Days in the case of a Special Notice Currency) prior to the requested date of such Borrower, conversion or continuation of Eurocurrency Rate Loans denominated in Alternative Currencies, whereupon the Administrative Agent shall give prompt notice to the Appropriate Lenders of such request and determine whether the requested Interest Period is acceptable to all of them. Not later than 11:00 a.m., (i) three (3) Business Days before the requested date of such Borrowing, conversion or continuation of Eurocurrency Rate Loans denominated in Dollars, or (ii) four (4) Business Days (or five (5) Business Days in the case of a Special Notice Currency) prior to the requested date of such Borrower, conversion or continuation of Eurocurrency Rate Loans denominated in Alternative Currencies, the Administrative Agent shall notify the applicable Borrower (which notice may be by telephone) whether or not the requested Interest Period has been consented to by all the Lenders. Each Borrowing of, conversion to or continuation of Eurocurrency Rate Loans shall be in a

principal amount of the Dollar Equivalent of $1,000,000 or a whole multiple of the Dollar Equivalent of $1,000,000 in excess thereof. Except as provided in Sections 2.03(c) and 2.04(c), each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of the Dollar Equivalent of $500,000 or a whole multiple of the Dollar Equivalent of $100,000 in excess thereof. Each Loan Notice and each telephonic notice shall specify (A) whether the applicable Borrower is requesting a Borrowing, a conversion of Loans from one Type to the other, or a continuation of Loans, as the case may be, (B) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (C) the principal amount of Loans to be borrowed, converted or continued, (D) the Type of Loans to be borrowed or to which existing Loans are to be converted, and (E) if applicable, the duration of the Interest Period with respect thereto, (F) the currency of the Revolving Loans to be borrowed, and (G) if applicable, the Designated Borrower. If the Parent fails to specify a currency in a Loan Notice requesting a Revolving Borrowing, then the Revolving Loans so requested shall be made in Dollars. If any Borrower fails to specify a Type of Loan in a Loan Notice or if such Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Loans shall be made as, or converted to, Base Rate Loans; provided, however, that in the case of a failure to timely request a continuation of Loans denominated in an Alternative Currency, such Revolving Loans shall be continued as Eurocurrency Rate Loans in their original currency with an Interest Period of one (1) month. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurocurrency Rate Loans. If any Borrower requests a Borrowing of, conversion to, or continuation of Eurocurrency Rate Loans in any such Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one (1) month. Notwithstanding anything to the contrary herein, a Swingline Loan may not be converted to a Eurocurrency Rate Loan. Except as provided pursuant to Section 2.02(c), no Loan may be converted into or continued as a Loan denominated in a different currency, but instead must be repaid in the original currency of such Loan and reborrowed in the other currency.

(b) Advances. Following receipt of a Loan Notice, the Administrative Agent shall promptly notify each Appropriate Lender of the amount (and currency) of its Applicable Percentage of the applicable Loans, and if no timely notice of a conversion or continuation is provided by the applicable Borrower, the Administrative Agent shall notify each Appropriate Lender of the details of any automatic conversion to Base Rate Loans or continuation of Revolving Loans denominated in a currency other than Dollars, in each case as described in Section 2.02(a). In the case of a Borrowing, each Appropriate Lender shall make the amount of its Loan available to the Administrative Agent in Same Day Funds at the Administrative Agent's Office for the applicable currency not later than 1:00 p.m., in the case of any Revolving Loan denominated in Dollars, and not later than the Applicable Time specified by the Administrative Agent in the case of any Revolving Loan in an Alternative Currency, in each case on the Business Day specified in the applicable Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.02 (and, if such Borrowing is the initial Credit Extension, Section 4.01), the Administrative Agent shall make all funds so received available to the applicable Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of the applicable Borrower on the books of Bank of America with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the applicable Borrower; provided, however, that if, on the date a Loan Notice with respect to a Revolving Borrowing denominated in Dollars is given by any Borrower, there are L/C Borrowings outstanding, then the proceeds of such Revolving Borrowing, first, shall be applied to the payment in full of any such L/C Borrowings, and second, shall be made available to the applicable Borrower as provided above.

(c) Eurocurrency Rate Loans. Except as otherwise provided herein, a Eurocurrency Rate Loan may be continued or converted only on the last day of an Interest Period for such

Eurocurrency Rate Loan. During the existence of an Event of Default, the Administrative Agent may (and shall at the direction of the Required Lenders) declare that no Loans may be requested as, converted to or continued as Eurocurrency Rate Loans, that any or all of the then outstanding Eurocurrency Rate Loans denominated in Dollars be converted immediately to Base Rate Loans and any or all of the then outstanding Eurocurrency Rate Loans denominated in an Alternative Currency be prepaid, or redenominated into Dollars in the amount of the Dollar Equivalent thereof, on the last day of the then current Interest Period with respect thereto.

(d) Notice of Interest Rates. The Administrative Agent shall promptly notify the Borrowers and the Lenders of the interest rate applicable to any Interest Period for Eurocurrency Rate Loans upon determination of such interest rate. At any time that Base Rate Loans are outstanding, the Administrative Agent shall notify the Borrowers and the Lenders of any change in Bank of America's prime rate used in determining the Base Rate promptly following the public announcement of such change.

(e) Interest Periods. After giving effect to all Revolving Borrowings, all conversions of Revolving Loans from one Type to the other, and all continuations of Revolving Loans as the same Type, there shall not be more than ten (10) Interest Periods in effect in respect of the Revolving Facility.

(f) Cashless Settlement Mechanism. Notwithstanding anything to the contrary in this Agreement, any Lender may exchange, continue or rollover all or the portion of its Loans in connection with any refinancing, extension, loan modification or similar transaction permitted by the terms of this Agreement, pursuant to a cashless settlement mechanism approved by the Borrowers, the Administrative Agent and such Lender.

2.03 Letters of Credit.

(a) The Letter of Credit Commitment.

(i) Subject to the terms and conditions set forth herein, (A) the L/C Issuer agrees, in reliance upon the agreements of the Revolving Lenders set forth in this Section, (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit denominated in Dollars or in one or more Alternative Currencies for the account of any of the Borrowers or any of their Domestic Subsidiaries or, in the L/C Issuer's sole and absolute discretion, any of their Foreign Subsidiaries, and to amend Letters of Credit previously issued by it, in accordance with Section 2.03(b), and (2) to honor drawings under the Letters of Credit; and (B) the Revolving Lenders severally agree to participate in Letters of Credit issued for the account of any Borrower or its Subsidiaries and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (x) the Total Revolving Outstandings shall not exceed the Revolving Facility, (y) the Revolving Exposure of any Revolving Lender shall not exceed such Lender's Revolving Commitment, and (z) the Outstanding Amount of the L/C Obligations shall not exceed the Letter of Credit Sublimit. Each request by any Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Borrowers that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrowers' ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrowers may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed. All Existing Letters of Credit shall be deemed to have been issued pursuant hereto and

deemed L/C Obligations, and from and after the Closing Date shall be subject to and governed by the terms and conditions hereof.

(ii) The L/C Issuer shall not issue any Letter of Credit if:

(A) subject to Section 2.03(b)(iv), the expiry date of the requested Letter of Credit would occur more than twelve (12) months after the date of issuance or last extension, unless the Required Lenders have approved such expiry date; or

(B) the expiry date of the requested Letter of Credit would occur after the Letter of Credit Expiration Date; provided, that if each of the L/C Issuer and the Administrative Agent consents thereto in its sole discretion, the expiration date of a Letter of Credit may extend beyond the Letter of Credit Expiration Date so long as (x) the applicable Borrower Cash Collateralizes such Letter of Credit on or prior to the Letter of Credit Expiration Date on terms satisfactory to the L/C Issuer and the Administrative Agent and (y) each Lender's participation in any undrawn Letter of Credit that is outstanding on the Maturity Date shall terminate on the Maturity Date.

(iii) The L/C Issuer shall not be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the L/C Issuer from issuing the Letter of Credit, or any Law applicable to the L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the L/C Issuer shall prohibit, or request that the L/C Issuer refrain from, the issuance of letters of credit generally or the Letter of Credit in particular or shall impose upon the L/C Issuer with respect to the Letter of Credit any restriction, reserve or capital requirement (for which the L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the L/C Issuer in good faith deems material to it;

(B) the issuance of the Letter of Credit would violate one or more policies of the L/C Issuer applicable to letters of credit generally;

(C) except as otherwise agreed by the Administrative Agent and the L/C Issuer, the Letter of Credit is to be denominated in a currency other than Dollars or an Alternative Currency;

(D) any Revolving Lender is at that time a Defaulting Lender, unless the L/C Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to the L/C Issuer (in its sole discretion) with the applicable Borrowers or such Revolving Lender to eliminate the L/C Issuer's actual or potential Fronting Exposure (after giving effect to Section 2.15(a)(iv)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which the L/C Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion; or

(E) the L/C Issuer does not as of the issuance date of the requested Letter of Credit issue Letters of Credit in the requested currency.

(iv) The L/C Issuer shall not amend any Letter of Credit if the L/C Issuer would not be permitted at such time to issue the Letter of Credit in its amended form under the terms hereof.

(v) The L/C Issuer shall be under no obligation to amend any Letter of Credit if (A) the L/C Issuer would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to the Letter of Credit.

(vi) The L/C Issuer shall act on behalf of the Revolving Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article IX with respect to any acts taken or omissions suffered by the L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Article IX included the L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the L/C Issuer.

(b) Procedures for Issuance and Amendment of Letters of Credit.

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of any Borrower delivered to the L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the applicable Borrower. Such Letter of Credit Application may be sent by fax transmission, by United States mail, by overnight courier, by electronic transmission using the system provided by the L/C Issuer, by personal delivery or by any other means acceptable to the L/C Issuer. Such Letter of Credit Application must be received by the L/C Issuer and the Administrative Agent not later than 11:00 a.m. at least five (5) Business Days (or such later date and time as the Administrative Agent and the L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount and currency thereof and in the absence of specification of currency such application shall be deemed a request for a Letter of Credit denominated in Dollars; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the purpose and nature of the requested Letter of Credit; and (H) such other matters as the L/C Issuer may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer (1) the Letter of Credit to be amended; (2) the proposed date of amendment thereof (which shall be a Business Day); (3) the nature of the proposed amendment; and (4) such other matters as the L/C Issuer may require. Additionally, the applicable Borrower shall furnish to the L/C Issuer and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the L/C Issuer or the Administrative Agent may require.

(ii) Promptly after receipt of any Letter of Credit Application, the L/C Issuer will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from the applicable Borrower and, if not, the L/C Issuer will provide the Administrative Agent with a copy thereof. Unless the L/C Issuer has received written notice from any Revolving Lender, the Administrative Agent or any Loan Party, at least one (1) Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Article IV shall not then be satisfied, then, subject to the terms and conditions hereof, the L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the applicable Borrower (or the applicable Subsidiary) or enter into the applicable amendment, as the case may be, in each case in accordance with the L/C Issuer's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Revolving Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Revolving Lender's Applicable Percentage times the amount of such Letter of Credit.

(iii) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the L/C Issuer will also deliver to the applicable Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(iv) If any Borrower so requests in any applicable Letter of Credit Application, the L/C Issuer may, in its sole discretion, agree to issue a standby Letter of Credit that has automatic extension provisions (each, an "Auto-Extension Letter of Credit"); provided that any such Auto-Extension Letter of Credit must permit the L/C Issuer to prevent any such extension at least once in each twelve (12) month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Non-Extension Notice Date") in each such twelve (12) month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the L/C Issuer, the Borrower shall not be required to make a specific request to the L/C Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Revolving Lenders shall be deemed to have authorized (but may not require) the L/C Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date; provided, however, that the L/C Issuer shall not permit any such extension if (A) the L/C Issuer has determined that it would not be permitted, or would have no obligation at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (ii) or (iii) of Section 2.03(a) or otherwise), or (B) it has received notice (which may be by telephone or in writing) on or before the day that is seven (7) Business Days before the Non-Extension Notice Date (1) from the Administrative Agent that the Required Lenders have elected not to permit such extension or (2) from the Administrative Agent, any Revolving Lender or the Borrower that one or more of the applicable conditions specified in Section 4.02 is not then satisfied, and in each such case directing the L/C Issuer not to permit such extension.

(c) Drawings and Reimbursements; Funding of Participations.

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the L/C Issuer shall notify the applicable Borrower and the Administrative Agent thereof. In the case of a Letter of Credit denominated in an Alternative Currency, the applicable Borrower shall reimburse the L/C Issuer in such

Alternative Currency, unless (A) the L/C Issuer (at its option) shall have specified in such notice that it will require reimbursement in Dollars, or (B) in the absence of any such requirement for reimbursement in Dollars, the Borrowers shall have notified the L/C Issuer promptly following receipt of the notice of drawing that such Borrower will reimburse the L/C Issuer in Dollars. In the case of any such reimbursement in Dollars of a drawing under a Letter of Credit denominated in an Alternative Currency, the L/C Issuer shall notify the Borrowers of the Dollar Equivalent of the amount of the drawing promptly following the determination thereof. Not later than 11:00 a.m. on the date of any payment by the L/C Issuer under a Letter of Credit to be reimbursed in Dollars, or the Applicable Time on the date of any payment by the L/C Issuer under a Letter of Credit to be reimbursed in an Alternative Currency (each such date, an "Honor Date"), the applicable Borrower shall reimburse the L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing and in the applicable currency, if the Borrowers shall have received notice of such payment prior to 10:00 a.m. on the Honor Date or, if such notice has not been received by the Borrowers prior to such time on the Honor Date, then not later than 11:00 a.m. (x) on the Business Day that the Borrowers receive such notice, if such notice is received prior to 10:00 a.m. on the day of receipt or (y) the Business Day immediately following the day that the Borrowers receive such notice, if such notice is not received prior to such time on the day of receipt; provided that if a Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.02 or 2.04 that such payment be financed with a Borrowing of Revolving Loans or a Swingline Loan in an equal amount and, to the extent so financed, the applicable Borrower's obligation to make such payment shall be discharged. In the event that (A) a drawing denominated in an Alternative Currency is to be reimbursed in Dollars pursuant to the second sentence of this Section 2.03(c)(i) and (B) the Dollar amount paid by the applicable Borrower, whether on or after the Honor Date, shall not be adequate on the date of that payment to purchase in accordance with normal banking procedures a sum denominated in the Alternative Currency equal to the drawing, the applicable Borrower agrees, as a separate and independent obligation, to indemnify the L/C Issuer for the loss resulting from its inability on that date to purchase the Alternative Currency in the full amount of the drawing. If the applicable Borrower fails to so reimburse the L/C Issuer by such time, the Administrative Agent shall promptly notify each Revolving Lender of the Honor Date, the amount of the unreimbursed drawing (expressed in Dollars in the amount of the Dollar Equivalent thereof in the case of a Letter of Credit denominated in an Alternative Currency) (the "Unreimbursed Amount"), and the amount of such Revolving Lender's Applicable Percentage thereof. In such event, the applicable Borrower shall be deemed to have requested a Revolving Borrowing of Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of Base Rate Loans, but subject to the amount of the unutilized portion of the Revolving Commitments and the conditions set forth in Section 4.02 (other than the delivery of a Loan Notice). Any notice given by the L/C Issuer or the Administrative Agent pursuant to this Section 2.03(c)(i) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Revolving Lender shall upon receipt of any notice pursuant to Section 2.03(c)(i) make funds available (and the Administrative Agent may apply Cash Collateral provided for this purpose by the applicable Borrowers) for the account of the L/C Issuer, in Dollars, at the Administrative Agent's Office for Dollar-denominated payments in an amount equal to its Applicable Percentage of the Unreimbursed Amount not later than 1:00 p.m. on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.03(c)(iii), each Revolving Lender

that so makes funds available shall be deemed to have made a Base Rate Loan to the applicable Borrower in such amount. The Administrative Agent shall remit the funds so received to the L/C Issuer in Dollars.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Revolving Borrowing of Base Rate Loans because the conditions set forth in Section 4.02 cannot be satisfied or for any other reason, the applicable Borrower shall be deemed to have incurred from the L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Revolving Lender's payment to the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section.

(iv) Until each Revolving Lender funds its Revolving Loan or L/C Advance pursuant to this Section 2.03(c) to reimburse the L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Applicable Percentage of such amount shall be solely for the account of the L/C Issuer.

(v) Each Revolving Lender's obligation to make Revolving Loans or L/C Advances to reimburse the L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the L/C Issuer, the Borrowers, any Subsidiary or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default; or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Revolving Lender's obligation to make Revolving Loans pursuant to this Section 2.03(c) is subject to the conditions set forth in Section 4.02 (other than delivery by the applicable Borrower of a Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the applicable Borrower to reimburse the L/C Issuer for the amount of any payment made by the L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Revolving Lender fails to make available to the Administrative Agent for the account of the L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(ii), then, without limiting the other provisions of this Agreement, the L/C Issuer shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the L/C Issuer at a rate per annum equal to the applicable Overnight Rate from time to time in effect, plus any administrative, processing or similar fees customarily charged by the L/C Issuer in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Loan included in the relevant Revolving Borrowing or L/C Advance in respect of the relevant L/C Borrowing, as the case may be. A certificate of the L/C Issuer submitted to any Revolving Lender (through the Administrative Agent) with respect to any amounts owing under this Section 2.03(c)(vi) shall be conclusive absent manifest error.

(d) Repayment of Participations.

(i) At any time after the L/C Issuer has made a payment under any Letter of Credit and has received from any Revolving Lender such Lender's L/C Advance in respect of such payment in accordance with Section 2.03(c), if the Administrative Agent receives for the account of the L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from any Borrower or otherwise, including proceeds of Cash Collateral provided by the applicable Borrowers applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Applicable Percentage thereof in Dollars and in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned under any of the circumstances described in Section 11.05 (including pursuant to any settlement entered into by the L/C Issuer in its discretion), each Revolving Lender shall pay to the Administrative Agent for the account of the L/C Issuer its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Applicable Overnight Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Obligations Absolute. The obligation of each Borrower (and those Borrowers that are jointly and severally liable with such Borrower) to reimburse the L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing for which it is liable hereunder shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other Loan Document;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that any Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the L/C Issuer or any other Person, whether in connection with this Agreement or by such Letter of Credit, the transactions contemplated hereby or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, endorsement, certificate or other document presented under or in connection with such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) waiver by the L/C Issuer of any requirement that exists for the L/C Issuer's protection and not the protection of the Borrowers or any waiver by the L/C Issuer which does not in fact materially prejudice the Borrowers;

(v) honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft;

(vi) any payment made by the L/C Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under, such Letter of Credit if presentation after such date is authorized by the UCC, the ISP or the UCP, as applicable;

(vii) any payment by the L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law;

(viii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Borrower or any of its Subsidiaries; or

(ix) any adverse change in the relevant exchange rates or in the availability of the relevant Alternative Currency to any Borrower or any of its Subsidiaries or in the relevant currency markets generally.

Each Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with such Borrower's instructions or other irregularity, such Borrower will immediately notify the L/C Issuer. Each Borrower shall be conclusively deemed to have waived any such claim against the L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) Role of L/C Issuer. Each Lender and the Borrowers agree that, in paying any drawing under a Letter of Credit, the L/C Issuer shall not have any responsibility to obtain any document (other than any sight or time draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Revolving Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. Each Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude each Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable or responsible for any of the matters described in Section 2.03(e); provided, however, that anything in such clauses to the contrary notwithstanding, each Borrower may have a claim against the L/C Issuer, and the L/C Issuer may be liable to each Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by such Borrower which such Borrower proves, as determined by a final nonappealable judgment of a court of competent jurisdiction, were caused by the L/C Issuer's willful misconduct or gross negligence or the L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight or time draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, the L/C Issuer

may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring, endorsing or assigning or purporting to transfer, endorse or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason. The L/C Issuer may send a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunication ("SWIFT") message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

(g) Applicability of ISP and UCP; Limitation of Liability. Unless otherwise expressly agreed by the L/C Issuer and the applicable Borrower when a Letter of Credit is issued, the rules of the ISP shall apply to each standby Letter of Credit. Notwithstanding the foregoing, the L/C Issuer shall not be responsible to the Borrowers for, and the L/C Issuer's rights and remedies against the applicable Borrowers shall not be impaired by, any action or inaction of the L/C Issuer required or permitted under any law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Law or any order of a jurisdiction where the L/C Issuer or the beneficiary is located, the practice stated in the ISP or UCP, as applicable, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade - International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

(h) Letter of Credit Fees. The applicable Borrowers shall pay to the Administrative Agent for the account of each Revolving Lender in accordance, subject to Section 2.15, with its Applicable Percentage a Letter of Credit fee (the "Letter of Credit Fee") for each Letter of Credit issued to it or any of its Subsidiaries equal to the Applicable Rate times the Dollar Equivalent of the daily amount available to be drawn under such Letter of Credit. Letter of Credit Fees shall be (1) due and payable on the first Business Day following each fiscal quarter end, commencing with the first such date to occur after the issuance of such Letter of Credit on the Letter of Credit Expiration Date and thereafter on demand and (2) computed on a quarterly basis in arrears. If there is any change in the Applicable Rate during any quarter, the daily amount available to be drawn under each Letter of Credit shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect.

(i) Fronting Fee and Documentary and Processing Charges Payable to L/C Issuer. The applicable Borrowers shall pay directly to the L/C Issuer for its own account a fronting fee with respect to each Letter of Credit issued to it or any of its Subsidiaries, at the rate per annum specified in the Fee Letter, computed on the Dollar Equivalent of the daily amount available to be drawn under such Letter of Credit on a quarterly basis in arrears. Such fronting fee shall be due and payable on or prior to the date that is ten (10) Business Days following each fiscal quarter end, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. In addition, the applicable Borrowers shall pay directly to the L/C Issuer for its own account, in Dollars, with respect to each Letter of Credit issued to it or any of its Subsidiaries, the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(j) Conflict with Issuer Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

(k) Letters of Credit Issued for Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary of a Borrower, such Borrower shall be obligated to reimburse the L/C Issuer hereunder for any and all drawings under any such Letter of Credit issued to its Subsidiary. Each Borrower hereby acknowledges that the issuance of Letters of Credit for the account of its Subsidiaries inures to the benefit of such Borrower, and that such Borrower's business derives substantial benefits from the businesses of all of its Subsidiaries.

2.04 Swingline Loans.

(a) The Swingline. Subject to the terms and conditions set forth herein, the Swingline Lender, in reliance upon the agreements of the other Lenders set forth in this Section, may in its sole discretion make loans to the Domestic Borrowers (each such loan, a "Swingline Loan"). Each such Swingline Loan may be made, subject to the terms and conditions set forth herein, to each of the Domestic Borrowers, in Dollars, from time to time on any Business Day. During the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of the Swingline Sublimit, notwithstanding the fact that such Swingline Loans, when aggregated with the Applicable Percentage of the Outstanding Amount of Revolving Loans and L/C Obligations of the Lender acting as Swingline Lender, may exceed the amount of such Lender's Revolving Commitment; provided, however, that (i) after giving effect to any Swingline Loan, (A) the Total Revolving Outstandings shall not exceed the Revolving Facility at such time, and (B) the Revolving Exposure of any Revolving Lender at such time shall not exceed such Lender's Revolving Commitment, (ii) the Domestic Borrowers shall not use the proceeds of any Swingline Loan to refinance any outstanding Swingline Loan, and (iii) the Swingline Lender shall not be under any obligation to make any Swingline Loan if it shall determine (which determination shall be conclusive and binding absent manifest error) that it has, or by such Credit Extension may have, Fronting Exposure. Within the foregoing limits, and subject to the other terms and conditions hereof, the Domestic Borrowers may borrow under this Section, prepay under Section 2.05, and reborrow under this Section. Each Swingline Loan shall bear interest only at a rate based on the Base Rate plus the Applicable Rate. Immediately upon the making of a Swingline Loan, each Revolving Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swingline Lender a risk participation in such Swingline Loan in an amount equal to the product of such Revolving Lender's Applicable Percentage times the amount of such Swingline Loan.

(b) Borrowing Procedures.

Each Swingline Borrowing shall be made upon the applicable Domestic Borrower's irrevocable notice to the Swingline Lender and the Administrative Agent, which may be given by: (A) telephone or (B) a Swingline Loan Notice; provided that any telephonic notice must be confirmed immediately by delivery to the Swingline Lender and the Administrative Agent of a Swingline Loan Notice. Each such Swingline Loan Notice must be received by the Swingline Lender and the Administrative Agent not later than 1:00 p.m. on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum of $100,000, and (ii) the requested date of the Borrowing (which shall be a Business Day). Promptly after receipt by the Swingline Lender of any Swingline Loan Notice, the Swingline Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swingline Loan Notice and, if not, the Swingline Lender will notify the Administrative Agent (by

telephone or in writing) of the contents thereof. Unless the Swingline Lender has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Revolving Lender) prior to 2:00 p.m. on the date of the proposed Swingline Borrowing (A) directing the Swingline Lender not to make such Swingline Loan as a result of the limitations set forth in the first proviso to the first sentence of Section 2.04(a), or (B) that one or more of the applicable conditions specified in Article IV is not then satisfied, then, subject to the terms and conditions hereof, the Swingline Lender will, not later than 3:00 p.m. on the borrowing date specified in such Swingline Loan Notice, make the amount of its Swingline Loan available to the applicable Domestic Borrower at its office by crediting the account of such Domestic Borrower on the books of the Swingline Lender in immediately available funds**.**

(c) Refinancing of Swingline Loans.

(i) The Swingline Lender at any time in its sole discretion may request, on behalf of the Domestic Borrowers (which hereby irrevocably authorizes the Swingline Lender to so request on its behalf), that each Revolving Lender make a Base Rate Loan in an amount equal to such Lender's Applicable Percentage of the amount of Swingline Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to the unutilized portion of the Revolving Facility and the conditions set forth in Section 4.02. The Swingline Lender shall furnish the Domestic Borrowers with a copy of the applicable Loan Notice promptly after delivering such notice to the Administrative Agent. Each Revolving Lender shall make an amount equal to its Applicable Percentage of the amount specified in such Loan Notice available to the Administrative Agent in immediately available funds (and the Administrative Agent may apply Cash Collateral provided by the Domestic Borrowers available with respect to the applicable Swingline Loan) for the account of the Swingline Lender at the Administrative Agent's Office not later than 1:00 p.m. on the day specified in such Loan Notice, whereupon, subject to Section 2.04(c)(ii), each Revolving Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Domestic Borrowers in such amount. The Administrative Agent shall remit the funds so received to the Swingline Lender.

(ii) If for any reason any Swingline Loan cannot be refinanced by such a Revolving Borrowing in accordance with Section 2.04(c)(i), the request for Base Rate Loans submitted by the Swingline Lender as set forth herein shall be deemed to be a request by the Swingline Lender that each of the Revolving Lenders fund its risk participation in the relevant Swingline Loan and each Revolving Lender's payment to the Administrative Agent for the account of the Swingline Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Revolving Lender fails to make available to the Administrative Agent for the account of the Swingline Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), the Swingline Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swingline Lender at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the Swingline Lender in accordance with banking industry rules on interbank compensation, plus any administrative,

processing or similar fees customarily charged by the Swingline Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Loan included in the relevant Revolving Borrowing or funded participation in the relevant Swingline Loan, as the case may be. A certificate of the Swingline Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Revolving Lender's obligation to make Revolving Loans or to purchase and fund risk participations in Swingline Loans pursuant to this Section 2.04(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the Swingline Lender, the Domestic Borrowers or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided however, that each Revolving Lender's obligation to make Revolving Loans pursuant to this Section 2.04(c) is subject to the conditions set forth in Section 4.02 (other than delivery by the applicable Domestic Borrower of a Loan Notice). No such funding of risk participations shall relieve or otherwise impair the obligation of the Domestic Borrowers to repay Swingline Loans, together with interest as provided herein.

(d) Repayment of Participations.

(i) At any time after any Revolving Lender has purchased and funded a risk participation in a Swingline Loan, if the Swingline Lender receives any payment on account of such Swingline Loan, the Swingline Lender will distribute to such Revolving Lender its Applicable Percentage thereof in the same funds as those received by the Swingline Lender.

(ii) If any payment received by the Swingline Lender in respect of principal or interest on any Swingline Loan is required to be returned by the Swingline Lender under any of the circumstances described in Section 11.05 (including pursuant to any settlement entered into by the Swingline Lender in its discretion), each Revolving Lender shall pay to the Swingline Lender its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Administrative Agent will make such demand upon the request of the Swingline Lender. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Interest for Account of Swingline Lender. The Swingline Lender shall be responsible for invoicing the Domestic Borrowers for interest on the Swingline Loans. Until each Revolving Lender funds its Base Rate Loan or risk participation pursuant to this Section to refinance such Revolving Lender's Applicable Percentage of any Swingline Loan, interest in respect of such Applicable Percentage shall be solely for the account of the Swingline Lender.

(f) Payments Directly to Swingline Lender. The Borrowers shall make all payments of principal and interest in respect of the Swingline Loans directly to the Swingline Lender.

2.05 Prepayments.

(a) Optional.

(i) Any Borrower may, upon notice to the Administrative Agent pursuant to delivery to the Administrative Agent of a Notice of Loan Prepayment, at any time or from time to time voluntarily prepay Revolving Loans in whole or in part without premium or penalty subject to Section 3.05; provided that, unless otherwise agreed by the Administrative Agent, (A) such notice must be received by the Administrative Agent not later than 11:00 a.m., (1) three (3) Business Days prior to any date of prepayment of Eurocurrency Rate Loans denominated in Dollars, (2) four (4) Business Days (or five (5), in the case of prepayment of Loans denominated in Special Notice Currencies) prior to any date of prepayment of Eurocurrency Rate Loans denominated in Alternative Currencies, and (3) on the date of prepayment of Base Rate Loans; (B) any prepayment of Eurocurrency Rate Loans denominated in Dollars shall be in a principal amount of $1,000,000 or a whole multiple of $1,000,000 in excess thereof; (C) any prepayment of Eurocurrency Rate Loans denominated in Alternative Currencies shall be in a minimum principal amount of the Dollar Equivalent of $1,000,000 or a whole multiple of the Dollar Equivalent of $1,000,000 in excess thereof; and (D) any prepayment of Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date, the currency and amount of such prepayment and the Type(s) of Loans to be prepaid and, if Eurocurrency Rate Loans are to be prepaid, the Interest Period(s) of such Loans. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's ratable portion of such prepayment (based on such Lender's Applicable Percentage). If such notice is given by a Borrower, the applicable Borrowers shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein; provided that if a notice of prepayment is given in connection with a conditional notice of termination of the Revolving Commitments as contemplated by Section 2.06, then such notice of prepayment may be revoked by written notice if such notice of termination is revoked in accordance with Section 2.06. Any prepayment of principal shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Subject to Section 2.15, such prepayments shall be paid to the Lenders in accordance with their respective Applicable Percentages.

(ii) The Domestic Borrowers may, upon notice to the Swingline Lender pursuant to delivery to the Swingline Lender of a Notice of Loan Prepayment (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Swingline Loans in whole or in part without premium or penalty; provided that, unless otherwise agreed by the Swingline Lender, (A) such notice must be received by the Swingline Lender and the Administrative Agent not later than 1:00 p.m. on the date of the prepayment, and (B) any such prepayment shall be in a minimum principal amount of $100,000 or a whole multiple of $100,000 in excess hereof (or, if less, the entire principal thereof then outstanding). Each such notice shall specify the date and amount of such prepayment. If such notice is given by a Domestic Borrower, the Domestic Borrowers shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of principal shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05.

(b) Mandatory; Revolving Outstandings. If for any reason the Total Revolving Outstandings at any time exceed the Revolving Facility at such time, the applicable Borrowers shall immediately prepay Revolving Loans, Swingline Loans and L/C Borrowings (together with all accrued but unpaid interest thereon) and/or Cash Collateralize the L/C Obligations, in each case, for which they are jointly and several liable, in an aggregate amount equal to such excess; provided, however, that the applicable Borrowers shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.05(b) unless, after the prepayment of the Revolving Loans and Swingline Loans, the Total Revolving Outstandings exceed the Revolving Facility at such time.

Within the parameters of the applications set forth above, prepayments pursuant to this Section 2.05(b) shall be applied first to Base Rate Loans and then to Eurocurrency Rate Loans in direct order of Interest Period maturities. All prepayments under this Section 2.05(b) shall be subject to Section 3.05, but otherwise without premium or penalty, and shall be accompanied by interest on the principal amount prepaid through the date of prepayment.

2.06 Termination or Reduction of Commitments.

(a) Optional. The Borrowers may, upon notice to the Administrative Agent, terminate the Revolving Facility, the Letter of Credit Sublimit or the Swingline Sublimit, or from time to time permanently reduce the Revolving Facility, the Letter of Credit Sublimit or the Swingline Sublimit; provided that (i) any such notice shall be received by the Administrative Agent not later than 11:00 a.m. three (3) Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of $10,000,000 or any whole multiple of $1,000,000 in excess thereof and (iii) the Borrowers shall not terminate or reduce (A) the Revolving Facility if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Revolving Outstandings would exceed the Revolving Facility, (B) the Letter of Credit Sublimit if, after giving effect thereto, the Outstanding Amount of L/C Obligations not fully Cash Collateralized hereunder would exceed the Letter of Credit Sublimit, or (C) the Swingline Sublimit if, after giving effect thereto and to any concurrent prepayments hereunder, the Outstanding Amount of Swingline Loans would exceed the Swingline Sublimit; provided, further, that a notice of termination of the Revolving Commitments delivered pursuant to this Section 2.06(a) may state that such notice is conditioned upon the effectiveness of other debt facilities or the consummation of other transactions, in which case such notice may be revoked by the Borrowers by written notice to the Administrative Agent at least one Business Day prior to the specified effective date if such condition is not satisfied.

(b) Mandatory. If after giving effect to any reduction or termination of Revolving Commitments under this Section 2.06, the Letter of Credit Sublimit, the Foreign Borrower Sublimit or the Swingline Sublimit exceeds the Revolving Facility at such time, the Letter of Credit Sublimit, Foreign Borrower Sublimit or the Swingline Sublimit, as the case may be, shall be automatically reduced by the amount of such excess.

(c) Application of Commitment Reductions; Payment of Fees. The Administrative Agent will promptly notify the Lenders of any termination or reduction of the Letter of Credit Sublimit, Foreign Borrower Sublimit, Swingline Sublimit or the Revolving Commitment under this Section 2.06. Upon any reduction of the Revolving Commitments, the Revolving Commitment of each Revolving Lender shall be reduced by such Lender's Applicable Percentage of such reduction

amount. All fees in respect of the Revolving Facility accrued until the effective date of any termination of the Revolving Facility shall be paid on the effective date of such termination.

2.07 Repayment of Loans.

(a) Revolving Loans. Each Borrower shall repay to the Revolving Lenders on the Maturity Date the aggregate principal amount of all Revolving Loans outstanding on such date for which it is jointly and severally liable.

(b) Swingline Loans. The Domestic Borrowers shall repay each Swingline Loan on the earlier to occur of (i) the date ten (10) Business Days after such Loan is made and (ii) the Maturity Date.

2.08 Interest and Default Rate.

(a) Interest. Subject to the provisions of Section 2.08(b), (i) each Eurocurrency Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period from the applicable borrowing date at a rate per annum equal to the Eurocurrency Rate for such Interest Period plus the Applicable Rate for the Revolving Facility; (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate for the Revolving Facility; and (iii) each Swingline Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate for the Revolving Facility. To the extent that any calculation of interest or any fee required to be paid under this Agreement shall be based on (or result in) a calculation that is less than zero, such calculation shall be deemed zero for purposes of this Agreement.

(b) Default Rate.

(i) If any amount of principal of any Loan is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) If any amount (other than principal of any Loan) payable by any Borrower under any Loan Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then upon the request of the Required Lenders such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iii) Upon the request of the Required Lenders, while any Event of Default exists (including a payment Event of Default), all outstanding Obligations (including Letter of Credit Fees) may accrue at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iv) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest Payments. Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein.

Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.09 Fees.

In addition to certain fees described in subsections (h) and (i) of Section 2.03:

(a) Commitment Fee. The Domestic Borrowers shall pay to the Administrative Agent for the account of each Revolving Lender in accordance with its Applicable Percentage, a commitment fee in Dollars equal to the Applicable Rate times the actual daily amount by which the Revolving Facility exceeds the sum of (i) the Outstanding Amount of Revolving Loans and (ii) the Outstanding Amount of L/C Obligations, subject to adjustment as provided in Section 2.15. For the avoidance of doubt, the Outstanding Amount of Swingline Loans shall not be counted towards or considered usage of the Aggregate Commitments. The commitment fee shall accrue at all times during the Availability Period, including at any time during which one or more of the conditions in Article IV is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the Closing Date, and on the last day of the Availability Period. The commitment fee shall be calculated quarterly in arrears, and if there is any change in the Applicable Rate during any quarter, the actual daily amount shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect.

(b) Other Fees.

(i) The Domestic Borrowers shall pay to the Administrative Agent and the Arranger for its own account, in Dollars, fees in the amounts and at the times specified in the Fee Letter. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

(ii) The applicable Borrowers shall pay to the Lenders, in Dollars, such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified.

2.10 Computation of Interest and Fees; Retroactive Adjustments of Applicable Rate.

(a) Computation of Interest and Fees. All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to the Eurocurrency Rate) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365 day year), or, in the case of interest in respect of Loans denominated in Alternative Currencies as to which market practice differs from the foregoing, in accordance with such market practice. Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one (1) day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(b) Financial Statement Adjustments or Restatements. If, as a result of any restatement of or other adjustment to the financial statements of the Parent and its Subsidiaries or for any other reason, the Borrowers or the Lenders determine that (i) the Consolidated Leverage

Ratio as calculated by the Parent as of any applicable date was inaccurate and (ii) a proper calculation of the Consolidated Leverage Ratio would have resulted in higher pricing for such period, the applicable Borrowers shall be obligated to pay to the Administrative Agent for the account of the applicable Lenders or the L/C Issuer, as the case may be, promptly on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to any of the Borrowers under the Bankruptcy Code of the United States, automatically and without further action by the Administrative Agent, any Lender or the L/C Issuer), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period. This paragraph shall not limit the rights of the Administrative Agent, any Lender or the L/C Issuer, as the case may be, under any provision of this Agreement to payment of any Obligations hereunder at the Default Rate or under Article VIII. Each Borrower's obligations under this paragraph shall survive the termination of the Aggregate Commitments and the repayment of all other Obligations hereunder.

2.11 Evidence of Debt.

(a) Maintenance of Accounts. The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to the applicable Borrowers and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the applicable Borrowers hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, each of the Borrowers shall execute and deliver to such Lender (through the Administrative Agent) a Note, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount, currency and maturity of its Loans and payments with respect thereto.

(b) Maintenance of Records. In addition to the accounts and records referred to in Section 2.11(a), each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swingline Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

2.12 Payments Generally; Administrative Agent's Clawback.

(a) General. All payments to be made by any Borrower shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein and except with respect to principal of and interest on Loans denominated in an Alternative Currency, all payments by any Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in Same Day Funds not later than 2:00 p.m. on the date specified herein. Except as otherwise expressly provided herein, all payments by any Borrower hereunder with respect to principal and interest on Loans denominated in an Alternative Currency shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the applicable Administrative Agent's Office in such

Alternative Currency and in Same Day Funds not later than the Applicable Time specified by the Administrative Agent on the dates specified herein. Without limiting the generality of the foregoing, the Administrative Agent may require that any payments due under this Agreement be made in the United States. If, for any reason, any Borrower is prohibited by any Law from making any required payment hereunder in an Alternative Currency, such Borrower shall make such payment in Dollars in the Dollar Equivalent of the Alternative Currency payment amount. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent (i) after 2:00 p.m., in the case of payments in Dollars, or (ii) after the Applicable Time specified by the Administrative Agent, in the case of payments in an Alternative Currency, shall in each case be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. Subject to Section 2.07(a) and as otherwise specifically provided for in this Agreement, if any payment to be made by any Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) (i) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of Eurocurrency Rate Loans (or, in the case of any Borrowing of Base Rate Loans, prior to 12:00 noon on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of a Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrowers that are jointly and severally liable with respect to such Borrowing severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in Same Day Funds with interest thereon, for each day from and including the date such amount is made available to the applicable Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the Overnight Rate, plus any administrative, processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing, and (B) in the case of a payment to be made by any Borrower, the interest rate applicable to Base Rate Loans or, in the case of Alternative Currencies, in accordance with such market practice, in each case, as applicable. If any Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the applicable Borrower the amount of such interest paid by the Borrowers for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by a Borrower shall be without prejudice to any claim the applicable Borrowers may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrowers prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the L/C Issuer hereunder that the applicable Borrowers will not make such payment, the Administrative Agent may assume that the applicable Borrowers have made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute

to the Appropriate Lenders or the L/C Issuer, as the case may be, the amount due. In such event, if the applicable Borrowers have not in fact made such payment, then each of the Appropriate Lenders or the L/C Issuer, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or the L/C Issuer, in Same Day Funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the Overnight Rate.

A notice of the Administrative Agent to any Lender or the Borrowers with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the applicable Borrower by the Administrative Agent because the conditions to the applicable Credit Extension set forth in Article IV are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Revolving Loans, to fund participations in Letters of Credit and Swingline Loans and to make payments pursuant to Section 11.04(c) are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment under Section 11.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 11.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

(f) Pro Rata Treatment. Except to the extent otherwise provided herein: (i) each Borrowing (other than Swingline Borrowings) shall be made from the Appropriate Lenders, each payment of fees under Sections 2.09 and 2.03(h) and (i) shall be made for account of the Appropriate Lenders, and each termination or reduction of the amount of the Revolving Commitments shall be applied to the respective Revolving Commitments of the Lenders, pro rata according to the amounts of their respective Revolving Commitments; (ii) each Borrowing shall be allocated pro rata among the Lenders according to the amounts of their respective Revolving Commitments (in the case of the making of Revolving 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 any applicable Borrower shall be made for the account of the Appropriate 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 any applicable Borrower shall be made for account of the Appropriate Lenders pro rata in accordance with the amounts of interest on the Loans then due and payable to the respective Appropriate Lenders.

2.13 Sharing of Payments by Lenders.

If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of (a) Obligations due and payable to such Lender hereunder and under the other Loan Documents at such time in excess of its ratable share (according to the proportion of (i) the amount of such Obligations due and payable to such Lender at such time to (ii) the aggregate amount of the Obligations due and payable to all Lenders hereunder and under the other Loan Documents at such time) of payments on account of the

Obligations due and payable to all Lenders hereunder and under the other Loan Documents at such time obtained by all the Lenders at such time or (b) Obligations owing (but not due and payable) to such Lender hereunder and under the other Loan Documents at such time in excess of its ratable share (according to the proportion of (i) the amount of such Obligations owing (but not due and payable) to such Lender at such time to (ii) the aggregate amount of the Obligations owing (but not due and payable) to all Lenders hereunder and under the other Loan Documents at such time) of payments on account of the Obligations owing (but not due and payable) to all Lenders hereunder and under the other Loan Documents at such time obtained by all of the Lenders at such time, then, in each case under clauses (a) and (b) above, the Lender receiving such greater proportion shall (A) notify the Administrative Agent of such fact, and (B) purchase (for cash at face value) participations in the Loans and subparticipations in L/C Obligations and Swingline Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of Obligations then due and payable to the Lenders or owing (but not due and payable) to the Lenders, as the case may be, provided that:

(1) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(2) the provisions of this Section shall not be construed to apply to (x) any payment made by or on behalf of the Borrowers pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (y) the application of Cash Collateral provided for in Section 2.14, or (z) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or sub-participations in L/C Obligations or Swingline Loans to any assignee or participant, other than an assignment to any Loan Party or any Affiliate thereof (as to which the provisions of this Section shall apply);

provided, that no payment received from or in respect of any Foreign Subsidiary or CFC Holding Company shall be applied to the Obligations of any Domestic Loan Party.

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation.

2.14 Cash Collateral.

(a) Certain Credit Support Events. If (i) the L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing, (ii) as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, (iii) any Borrower shall be required to provide Cash Collateral pursuant to Section 2.05 or 8.02(c), or (iv) there shall exist a Defaulting Lender, the applicable Borrowers shall promptly (in the case of clause (iii) above) or within one (1) Business Day (in all other cases) following any request by the Administrative Agent or the L/C Issuer, provide Cash Collateral in an amount not less than the applicable Minimum Collateral Amount (determined in the case of Cash Collateral provided pursuant to clause (iv) above, after giving effect to Section 2.15(a)(iv) and any Cash Collateral provided by the Defaulting Lender). Additionally, if the Administrative Agent

notifies the Parent at any time that the Outstanding Amount of all L/C Obligations at such time exceeds 105% of the Letter of Credit Sublimit then in effect, then within two (2) Business Days after receipt of such notice, the applicable Borrowers shall provide Cash Collateral for the Outstanding Amount of the L/C Obligations in an amount not less than the amount by which the Outstanding Amount of all L/C Obligations exceeds the Letter of Credit Sublimit.

(b) Grant of Security Interest. Each Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the L/C Issuer and the Lenders, and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided by such Borrower as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 2.14(c). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent or the L/C Issuer as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, each applicable Borrower will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in one or more blocked, non-interest bearing deposit accounts at Bank of America. The applicable Borrowers shall pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of Cash Collateral.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 2.14 or Sections 2.03, 2.05, 2.15 or 8.02 in respect of Letters of Credit shall be held and applied to the satisfaction of the specific L/C Obligations, obligations to fund participations therein (including, as to Cash Collateral provided by a Revolving Lender that is a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may be provided for herein; provided, that no Cash Collateral provided by any Foreign Loan Party shall be applied to the Obligations of any Domestic Loan Party.

(d) Release. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or to secure other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Revolving Lender (or, as appropriate, its assignee following compliance with Section 11.06(b)(vi))) or (ii) the determination by the Administrative Agent and the L/C Issuer that there exists excess Cash Collateral (which determination shall be made upon the reasonable written request of the Borrowers); provided, however, (A) any such release shall be without prejudice to, and any disbursement or other transfer of Cash Collateral shall be and remain subject to, any other Lien conferred under the Loan Documents and the other applicable provisions of the Loan Documents, and (B) the Person providing Cash Collateral and the L/C Issuer may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

2.15 Defaulting Lenders.

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

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders" and Section 11.01.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 11.08 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the L/C Issuer or Swingline Lender hereunder; third, to Cash Collateralize the L/C Issuer's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.14; fourth, as the Borrowers may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, if so determined by the Administrative Agent and the Borrowers, to be held in a deposit account and released pro rata in order to (A) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (B) Cash Collateralize the L/C Issuer's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.14; sixth, to the payment of any amounts owing to the Lenders, the L/C Issuer or Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the L/C Issuer or the Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to any Borrower as a result of any judgment of a court of competent jurisdiction obtained by such Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and eighth, to such Defaulting Lender or as otherwise as may be required under the Loan Documents in connection with any Lien conferred thereunder or directed by a court of competent jurisdiction; provided that (A) if (1) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which such Defaulting Lender has not fully funded its appropriate share, and (2) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swingline Loans are held by the Lenders pro rata in accordance with the Revolving Commitments hereunder without giving effect to Section 2.15(a)(v) and (B) no payment received from or in respect of any Foreign Loan Party shall be applied to the Obligations of any Domestic Borrower. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.15(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

(A) Fees. No Defaulting Lender shall be entitled to receive any fee payable under Section 2.09(a) for any period during which that Lender is a

Defaulting Lender (and the applicable Borrowers shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) Letter of Credit Fees. Each Defaulting Lender shall be entitled to receive Letter of Credit Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.14.

(C) Defaulting Lender Fees. With respect to any Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clause (B) above, the applicable Borrowers shall (1) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (2) pay to the L/C Issuer the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such L/C Issuer's Fronting Exposure to such Defaulting Lender, and (3) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Applicable Percentages to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations and Swingline Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender's Revolving Commitment) but only to the extent that such reallocation does not cause the aggregate Revolving Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Revolving Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) Cash Collateral, Repayment of Swingline Loans. If the reallocation described in clause (a)(iv) above cannot, or can only partially, be effected, the applicable Borrowers shall, without prejudice to any right or remedy available to it hereunder or under applicable Law, (A) first, prepay Swingline Loans in an amount equal to the Swingline Lender's Fronting Exposure and (B) second, Cash Collateralize the L/C Issuer's Fronting Exposure in accordance with the procedures set forth in Section 2.14.

(b) Defaulting Lender Cure. If the Borrowers, the Administrative Agent, Swingline Lender and the L/C Issuer agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swingline Loans to be held on a pro rata basis by the Lenders in accordance with their Applicable Percentages (without giving effect to Section 2.15(a)(iv)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of any Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender

will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

2.16 Increase in Revolving Facility.

(a) Request for Increase. Provided there exists no Default, upon notice to the Administrative Agent (which shall promptly notify the Revolving Lenders), the Borrowers may from time to time, request an increase in the Revolving Facility by an amount (for all such requests) not exceeding $50,000,000 (an "Incremental Facility"); provided that (i) any such request for an Incremental Facility shall be in a minimum amount of $10,000,000 and in increments of $10,000,000, or, if less, the amount of the entire remaining unused Incremental Facility, and (ii) the Borrowers may make a maximum of three (3) such requests. At the time of sending such notice, the Borrowers (in consultation with the Administrative Agent) shall specify the time period within which each Revolving Lender is requested to respond (which shall in no event be less than ten (10) Business Days from the date of delivery of such notice to the Revolving Lenders).

(b) Lender Elections to Increase. Each Revolving Lender shall notify the Administrative Agent within such time period whether or not it agrees to increase its Revolving Commitment and, if so, whether by an amount equal to, greater than, or less than its Applicable Percentage of such requested increase. Any Revolving Lender not responding within such time period shall be deemed to have declined to increase its Revolving Commitment.

(c) Notification by Administrative Agent; Additional Revolving Lenders. The Administrative Agent shall notify the Borrowers and each Revolving Lender of the Revolving Lenders' responses to each request made hereunder. To achieve the full amount of a requested increase, and subject to the approval of the Administrative Agent, the L/C Issuer and the Swingline Lender, the Borrowers may also invite additional Eligible Assignees to become Revolving Lenders pursuant to a joinder agreement ("New Revolving Lenders") in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(d) Effective Date and Allocations. If the Revolving Facility is increased in accordance with this Section, the Administrative Agent and the Borrowers shall determine the effective date (the "Revolving Increase Effective Date") and the final allocation of such increase. The Administrative Agent shall promptly notify the Borrowers, the Revolving Lenders and the New Revolving Lenders of the final allocation of such increase and the Revolving Increase Effective Date. On the Revolving Increase Effective Date, all outstanding Revolving Loans shall be reallocated among the Lenders (including any New Revolving Lenders) in accordance with the Lenders' respective revised Applicable Percentages.

(e) Conditions to Effectiveness of Increase. As a condition precedent to such increase, the Borrowers shall deliver to the Administrative Agent a certificate of each Loan Party dated as of the Revolving Increase Effective Date (in sufficient copies for each Lender) signed by a Responsible Officer of such Loan Party (i) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such increase, and (ii) in the case of the Borrowers, certifying that, before and after giving effect to such increase, (A) with respect to representations and warranties that contain a materiality qualification, be true and correct on and as of the on and as of the Revolving Increase Effective Date and, with respect to representations and warranties that do not contain a materiality qualification, be true and correct in all material respects, on and as of the Revolving Increase Effective Date, and except (x) that for purposes of this Section, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01, and (y) except that such representations and warranties that relate solely to an earlier

date shall be true and correct in all material respects as of such earlier date, and (B) both before and after giving effect to the Incremental Facility, no Default exists. The Borrowers shall deliver or cause to be delivered any other customary documents (including, without limitation, legal opinions and such deliverables set forth in Section 4.01(j)) as reasonably requested by the Administrative Agent in connection with any Incremental Facility. The applicable Borrowers shall prepay any Revolving Loans outstanding on the Revolving Increase Effective Date (and pay any additional amounts required pursuant to Section 3.05) to the extent necessary to keep the outstanding Revolving Loans ratable with any revised Applicable Percentages arising from any nonratable increase in the Revolving Commitments under this Section.

(f) Conflicting Provisions. This Section shall supersede any provisions in Section 2.13 or 11.01 to the contrary.

(g) Incremental Facility. Except as otherwise specifically set forth herein, all of the other terms and conditions applicable to such Incremental Facility shall be identical to the terms and conditions applicable to the Revolving Facility (other than with respect to any upfront fees payable in respect thereof, if applicable); it being understood that the Applicable Margin applicable to the then existing Lenders in respect of their Revolving Commitments may be increased without the consent of any Lender in connection with the incurrence of any such additional Revolving Commitments or increases in Revolving Commitments under the Incremental Facility.

2.17 **Joint and Several Liability of the Borrowers.**

(a) Each of the Domestic Borrowers is accepting joint and several liability for the Obligations of all of the Borrowers hereunder and under the other Loan Documents in consideration of the financial accommodations to be provided by the Administrative Agent and the Lenders under this Agreement, for the mutual benefit, directly and indirectly, of each of the Borrowers and in consideration of the undertakings of each other Domestic Borrower to accept joint and several liability for the Obligations. Each of the Foreign Borrowers is accepting joint and several liability (unless such joint and several liability (i) shall result in adverse tax consequences to any such Foreign Borrower or (ii) is not permitted by any Law applicable to such Foreign Borrower, in which either such case, the liability of such Foreign Borrower shall be several in nature) for the Obligations of all of the Foreign Borrowers hereunder and under the other Loan Documents in consideration of the financial accommodations to be provided by the Administrative Agent and the Lenders under this Agreement, for the mutual benefit, directly and indirectly, of each of the Foreign Borrowers and in consideration of the undertakings of each other Foreign Borrower to accept joint and several liability for the Obligations of the other Foreign Borrowers. Notwithstanding anything contained to the contrary in this Section 2.17 or in any Loan Document, no Foreign Borrower shall be obligated or have any liability with respect to any Obligations or Secured Obligations of the Domestic Borrowers or of any Domestic Subsidiary, (B) no Foreign Borrower shall be obligated as a Guarantor under Article X with respect to the Obligations or Secured Obligations of the Domestic Borrowers or any Domestic Subsidiary and (C) no payment received from or in respect of any Foreign Borrower shall be applied to the Obligations of any Domestic Borrower or Domestic Subsidiary.

(b) Each of the Borrowers, jointly and severally to the extent and subject to the limitations provided in Section 2.17(a), hereby irrevocably and unconditionally accepts, not merely as a surety but also as a co-debtor, joint and several liability with the other Borrowers with respect to the payment and performance of all of the Obligations of the Borrowers (including, without limitation, any Obligations arising under this Section 2.17) to the extent and subject to the limitations provided in Section 2.17(a), it being the intention of the parties hereto that all of the Obligations shall be the joint and several obligations of each of the applicable Borrowers without preferences or distinction among them. Where reference is made to the "applicable Borrower" or the "applicable Borrowers" with respect to any Obligations, it shall refer to the Borrowers that have joint and several liability for such Obligations in accordance with this

Section 2.17 with (and including) the Borrower that borrowed the underlying Loan or requested the underlying Letter of Credit giving rise to such Obligations.

(c) Subject to the limitations set forth in Section 2.17(a), if and to the extent that any of the Borrowers shall fail to make any payment with respect to any of the Obligations as and when due or to perform any of the Obligations in accordance with the terms thereof, then in each such event the other Borrowers having joint and several liability therefor will make such payment with respect to, or perform, such Obligation.

(d) The Obligations of each of the Borrowers under the provisions of this Section 2.17 constitute full recourse obligations of such Borrower enforceable against such Borrower to the full extent of its properties and assets.

(e) Except as otherwise expressly provided in this Agreement, each of the Borrowers, to the fullest extent permitted by applicable law, hereby waives notice of acceptance of its joint and several liability, notice of any Loans or other extensions of credit made under this Agreement, notice of any action at any time taken or omitted by the Administrative Agent or the Lenders under or in respect of any of the Obligations, and, generally, to the extent permitted by applicable law, all demands, notices (other than those required pursuant to the terms of this Agreement or the Loan Documents) and other formalities of every kind in connection with this Agreement. Each Borrower, to the fullest extent permitted by applicable law, hereby waives all defenses which may be available by virtue of any valuation, stay, moratorium law or other similar law now or hereafter in effect, any right to require the marshaling of assets of the Borrowers and any other entity or Person primarily or secondarily liable with respect to any of the Obligations and all suretyship defenses generally. Each of the Borrowers, to the fullest extent permitted by applicable law, hereby assents to, and waives notice of, any extension or postponement of the time for the payment of any of the Obligations, the acceptance of any payment of any of the Obligations, the acceptance of any partial payment thereon, any waiver, consent or other action or acquiescence by the Lenders at any time or times in respect of any default by any of the Borrowers in the performance or satisfaction of any term, covenant, condition or provision of this Agreement, any and all other indulgences whatsoever by the Lenders in respect of any of the Obligations, and the taking, addition, substitution or release, in whole or in part, at any time or times, of any security for any of the Obligations or the addition, substitution or release, in whole or in part, of any of the Borrowers. Without limiting the generality of the foregoing, each of the Borrowers assents to any other action or delay in acting or failure to act on the part of the Lenders with respect to the failure by any of the Borrowers to comply with any of its respective Obligations including, without limitation, any failure strictly or diligently to assert any right or to pursue any remedy or to comply fully with applicable laws or regulations thereunder, which might, but for the provisions of this Section 2.17, afford grounds for terminating, discharging or relieving any Borrower, in whole or in part, from any of its Obligations under this Section 2.17, it being the intention of each of the Borrowers that, so long as any of the Obligations hereunder remain unsatisfied, the Obligations of such the Borrowers under this Section 2.17 shall not be discharged except by performance and then only to the extent of such performance. The Obligations of each of the Borrowers under this Section 2.17 shall not be diminished or rendered unenforceable by any winding up, reorganization, arrangement, liquidation, re-construction or similar proceeding with respect to any of the Borrowers, the Administrative Agent or the Lenders. The joint and several liability of the Borrowers hereunder as set forth in this Section 2.17 shall continue in full force and effect notwithstanding any absorption, merger, amalgamation or any other change whatsoever in the name, membership, constitution or place of formation of any of the Borrowers, the Administrative Agent or the Lenders.

(f) Each of the Borrowers hereby agrees that the payment of any amounts due with respect to the indebtedness owing by any Borrower to any other Borrower is hereby subordinated to the prior payment in full in cash of the Obligations. Each Borrower hereby agrees that after the occurrence and during the continuance of any Event of Default, upon the written request of the Administrative Agent, such Borrower

will not demand, sue for or otherwise attempt to collect any indebtedness of any other Borrower owing to such Borrower until the Facility Termination Date shall have occurred. If, notwithstanding the foregoing sentence, such Borrower shall collect, enforce or receive any amounts in respect of such indebtedness before the Facility Termination Date occurs, such amounts shall be collected, enforced, received by such Borrower as trustee for the Administrative Agent and be paid over to the Administrative Agent for the *pro rata* accounts of the Lenders (in accordance with each such Lender's Applicable Percentage) to be applied to repay (or be held as security for the repayment of) the Obligations.

(g) The provisions of this Section 2.17 are made for the benefit of the Administrative Agent and the Lenders and their successors and assigns, and may be enforced in good faith by them from time to time against any or all of the applicable Borrowers as often as the occasion therefor may arise and without requirement on the part of the Administrative Agent or the Lenders first to marshal any of their claims or to exercise any of their rights against any other Borrower or to exhaust any remedies available to them against any other Borrower or to resort to any other source or means of obtaining payment of any of the Obligations hereunder or to elect any other remedy. The provisions of this Section 2.17 shall remain in effect until all of the Obligations shall have been paid in full or otherwise fully satisfied. If at any time, any payment, or any part thereof, made in respect of any of the Obligations, is rescinded or must otherwise be restored or returned by the Administrative Agent or the Lenders upon the insolvency, bankruptcy or reorganization of any of the Borrowers or is repaid in good faith settlement of a pending or threatened avoidance claim, or otherwise, the provisions of this Section 2.17 will forthwith be reinstated in effect, as though such payment had not been made. The Borrowers hereby agree among themselves that, in connection with any payments made hereunder, each Borrower shall have contribution rights against the other Borrowers as permitted under applicable Law.

(h) Subject to Section 2.17(a), it is the intention and agreement of each Borrower and the Lenders that the obligations of any Borrower under this Agreement shall be valid and enforceable against such Borrower to the maximum extent permitted by applicable law. Accordingly, if any provision of this Agreement creating any obligation of any Borrower in favor of the Administrative Agent and the Lenders shall be declared to be invalid or unenforceable in any respect or to any extent, it is the stated intention and agreement of each Borrower, the Administrative Agent and the Lenders that any balance of the obligation created by such provision and all other obligations of such Borrower and any other Borrower to the Administrative Agent and the Lenders created by other provisions of this Agreement shall remain valid and enforceable. Likewise, if by final order a court of competent jurisdiction shall declare any sums which the Administrative Agent and the Lenders may be otherwise entitled to collect from any Borrower under this Agreement to be in excess of those permitted under any law (including any federal or state fraudulent conveyance or like statute or rule of law) applicable to such Borrower's obligations under this Agreement, it is the stated intention and agreement of each Borrower and the Administrative Agent and the Lenders that all sums not in excess of those permitted under such applicable law shall remain fully collectible by the Administrative Agent and the Lenders from the applicable Borrowers.

(i) Notwithstanding anything contained herein, the obligations of each Borrower under this Section 2.17 at any time shall be limited to an aggregate amount equal to the largest amount that would not render its obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of the Bankruptcy Code or any other Debtor Relief Laws.

2.18 **Designated Borrowers.**

(a) Designated Borrowers. The Borrowers may at any time, upon not less than fifteen (15) Business Days' notice from the Borrowers to the Administrative Agent (or such shorter period as may be agreed by the Administrative Agent in its sole discretion), request to designate any additional Subsidiary of the Parent (an "Applicant Borrower") as a Designated Borrower to receive Loans hereunder by delivering to the Administrative Agent (which shall promptly deliver counterparts thereof to each Lender)

a duly executed notice and agreement in substantially the form of Exhibit Q (a "Designated Borrower Request and Assumption Agreement"). The parties hereto acknowledge and agree that prior to any Applicant Borrower becoming entitled to utilize the credit facilities provided for herein (i) the Administrative Agent and the Lenders that are to provide Revolving Commitments and/or Loans in favor of an Applicant Borrower must each agree to such Applicant Borrower becoming a Designated Borrower and (ii) the Administrative Agent and such Lenders shall have received such supporting resolutions, incumbency certificates, opinions of counsel and other documents or information, in form, content and scope reasonably satisfactory to the Administrative Agent, as may be required by the Administrative Agent or the Lenders in their sole discretion, and Notes signed by such new Borrowers to the extent any Lender so requires (the requirements in clauses (i) and (ii) hereof, the "Designated Borrower Requirements"). If the Administrative Agent and all Lenders agree that an Applicant Borrower shall be entitled to receive Loans hereunder, then promptly following satisfaction of the Designated Borrower Requirements, the Administrative Agent shall send a notice (to be countersigned by the Lenders) in substantially the form of Exhibit R (a "Designated Borrower Notice") to the Parent and the Lenders specifying the effective date upon which the Applicant Borrower shall constitute a Designated Borrower for purposes hereof, whereupon each of the Lenders agrees to permit such Designated Borrower to receive Loans hereunder, on the terms and conditions set forth herein, and each of the parties agrees that such Designated Borrower otherwise shall be a Borrower for all purposes of this Agreement; provided that no Loan Notice or Letter of Credit Application may be submitted by or on behalf of such Designated Borrower until the date five (5) Business Days after such effective date.

(b) [Reserved].

(c) Appointment. Each Subsidiary of the Parent that is or becomes a "Designated Borrower" pursuant to this Section 2.18 hereby irrevocably appoints the Parent to act as its agent for all purposes of this Agreement and the other Loan Documents and agrees that (i) the Parent may execute such documents on behalf of such Designated Borrower as the Parent deems appropriate in its sole discretion and each Designated Borrower shall be obligated by all of the terms of any such document executed on its behalf, (ii) any notice or communication delivered by the Administrative Agent or the Lender to the Parent shall be deemed delivered to each Designated Borrower and (iii) the Administrative Agent or the Lenders may accept, and be permitted to rely on, any document, instrument or agreement executed by the Parent on behalf of each of the Loan Parties.

2.19 **Designated Lenders.**

Each of the Administrative Agent, the L/C Issuer, the Swingline Lender and each Lender at its option may make any Credit Extension or otherwise perform its obligations hereunder through any Lending Office (each, a "Designated Lender"); provided that any exercise of such option shall not affect the obligation of any Borrower to repay any Credit Extension in accordance with the terms of this Agreement. Any Designated Lender shall be considered a Lender; provided that in the case of an Affiliate or branch of a Lender, all provisions applicable to a Lender shall apply to such Affiliate or branch of such Lender to the same extent as such Lender; provided that for the purposes only of voting in connection with any Loan Document, any participation by any Designated Lender in any outstanding Credit Extension shall be deemed a participation of such Lender.

2.20 Minimum Interest.

(a) When entering into this Agreement, the Parties have made the bona fide assumption that interest payable under this Agreement is not and will not become subject to Swiss Withholding Tax.

(b) Notwithstanding paragraph (a) above, if any deduction or withholding is required by Swiss law, and should it be unlawful for the relevant Loan Party to comply with paragraph (a) of Section 3.01 for any reason where this would otherwise be required by the terms of Section 3.01 then:

(i) the applicable interest rate in relation to that interest payment shall be:

(A) the interest rate which would have applied to that interest payment as provided for by Article II in the absence of this Section 2.20 divided by;

(B) 1 (one) minus the rate at which the relevant deduction or withholding of Swiss Withholding Tax is required to be made (where the rate at which the relevant tax deduction is required to be made is for this purpose expressed as a fraction of 1 rather than as a percentage); and

(ii) that Loan Party shall:

(A) pay the relevant interest at the adjusted rate in accordance with paragraph (b) above; and

(B) make the deduction or withholding of Swiss Withholding Tax on the interest so recalculated,

and all references to a rate of interest under the Loan Documents shall be construed accordingly and apply to the deduction for Swiss Withholding Tax purposes on the recalculated interest payment.

(c) To the extent that interest payable by a Loan Party under a Loan Document becomes subject to Swiss Withholding Tax, each relevant Lender and each relevant Loan Party shall promptly cooperate in completing any procedural formalities (including submitting forms and documents required by the appropriate tax authority) to the extent possible and necessary (i) for the relevant Loan Party to obtain authorisation to make interest payments without them being subject to Swiss Withholding Tax and (ii) to ensure that any person which is entitled to a full or partial refund under any applicable double taxation treaty is so refunded.

(d) The relevant Loan Party shall provide the Lenders with such documents and information required for applying for a refund of such Swiss Withholding Tax. In the event Swiss Withholding Tax is refunded to a Lender by the Swiss Federal Tax Administration, the relevant Lender shall forward, after deduction of costs, such amount to the relevant Loan Party, unless an Event of Default has occurred and is continuing, in which case such amount shall be withheld until such Event of Default is cured or the Secured Obligations have been irrevocably paid in full.

ARTICLE III

TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan

Document shall be made without deduction or withholding for any Taxes, except as required by applicable Laws. If any applicable Laws (as determined in the good faith discretion of an applicable Withholding Agent) require the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable Laws and, to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Loan Parties. Without limiting the provisions of subsection (a) above, the Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnifications.

(i) Each of the Loan Parties shall, and does hereby, jointly and severally indemnify each Recipient, and shall make payment in respect thereof within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrowers by a Lender or the L/C Issuer (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or the L/C Issuer, shall be conclusive absent manifest error. Each of the Loan Parties shall also, and does hereby, jointly and severally indemnify the Administrative Agent, and shall make payment in respect thereof within ten (10) days after demand therefor, for any amount which a Lender or the L/C Issuer for any reason fails to pay indefeasibly to the Administrative Agent as required pursuant to Section 3.01(c)(ii) below.

(ii) Each Lender and the L/C Issuer shall, and does hereby, severally indemnify and shall make payment in respect thereof within ten (10) days after demand therefor, (A) the Administrative Agent against any Indemnified Taxes attributable to such Lender or the L/C Issuer (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (B) the Administrative Agent and the Loan Parties, as applicable, against any Taxes attributable to such Lender's failure to comply with the provisions of Section 11.06(d) relating to the maintenance of a Participant Register and (C) the Administrative Agent and the Loan Parties, as applicable, against any Excluded Taxes attributable to such Lender or the L/C Issuer, in each case, that are payable or paid by the Administrative Agent or a Loan Party in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender and the L/C Issuer hereby authorizes the Administrative Agent to set off and apply

any and all amounts at any time owing to such Lender or the L/C Issuer, as the case may be, under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this clause (ii).

(d) Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority, as provided in this Section 3.01, the Borrowers 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 any return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Lenders; Tax Documentation.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrowers and the Administrative Agent, at the time or times reasonably requested by the Borrowers or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrowers or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrowers or the Administrative Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Borrowers or the Administrative Agent as will enable the Borrowers or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.01(e)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that any Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the applicable Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of such Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the applicable Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of such Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN-E (or W-8BEN, as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the

"interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN-E (or W-8BEN, as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit K-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of such Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN-E (or W-8BEN, as applicable); or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN-E (or W-8BEN, as applicable), a U.S. Tax Compliance Certificate substantially in the form of Exhibit K-2 or Exhibit K-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit K-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the applicable Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of such Borrower or the Administrative Agent), executed copies (or originals, as required) of any other form prescribed by applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Law to permit the applicable Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the applicable Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by such Borrower or the Administrative Agent such documentation prescribed by applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by such Borrower or the Administrative Agent as may be necessary for such Borrower and the Administrative Agent to comply with their obligations

under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iii) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.01 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the applicable Borrower and the Administrative Agent in writing of its legal inability to do so.

(f) Treatment of Certain Refunds. Unless required by applicable Laws, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender or the L/C Issuer, or have any obligation to pay to any Lender or the L/C Issuer, any refund of Taxes withheld or deducted from funds paid for the account of such Lender or the L/C Issuer, as the case may be. If any Recipient determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified by any Loan Party or with respect to which any Loan Party has paid additional amounts pursuant to this Section 3.01, it shall pay to such Loan Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by such Loan Party under this Section 3.01 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that each Loan Party, upon the request of the Recipient, 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 Recipient in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the applicable Recipient be required to pay any amount to such Loan Party pursuant to this subsection the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any Recipient to make available its tax returns (or any other information relating to its taxes that it deems confidential) to any Loan Party or any other Person.

(g) Defined Terms. For the purposes of this Section 3.01, the term "applicable Law" includes FATCA.

(h) Survival. Each party's obligations under this Section 3.01 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender or the L/C Issuer, the termination of the Revolving Commitments and the repayment, satisfaction or discharge of all other Obligations.

3.02 Illegality and Designated Lenders.

(a) 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 perform any of its obligations hereunder or to make, maintain or fund or charge interest with respect to any Loan or Letter of Credit 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 or any Alternative Currency in the applicable interbank market, then, on notice thereof by such Lender to the Borrowers through the Administrative Agent, (a) any obligation of such Lender to issue, make, maintain, fund or charge interest with respect to any such Credit Extension or

continue Eurocurrency Rate Loans in the affected currency or currencies or, in the case of Eurocurrency Rate Loans in Dollars, to convert Base Rate Loans to Eurocurrency Rate Loans shall be suspended, and (b) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Eurocurrency Rate component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurocurrency Rate component of the Base Rate, in each case until such Lender notifies the Administrative Agent and the Borrowers that the circumstances giving rise to such determination no longer exist (which notice such Lender agrees to provide promptly). Upon receipt of such notice, (i) the applicable Borrowers shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, and such Loans are denominated in Dollars convert all Eurocurrency Rate Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurocurrency Rate component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurocurrency Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurocurrency Rate 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 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 (which notice such Lender agrees to provide promptly). Upon any such prepayment or conversion, the applicable Borrowers shall also pay accrued interest on the amount so prepaid or converted.

(b) If, in any applicable jurisdiction, the Administrative Agent, the L/C Issuer or any Lender or any Designated Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for the Administrative Agent, the L/C Issuer or any Lender or its applicable Designated Lender to (i) perform any of its obligations hereunder or under any other Loan Document, (ii) to fund or maintain its participation in any Loan or Letter of Credit or (iii) issue, make, maintain, fund or charge interest or fees with respect to any Credit Extension to any Designated Borrower who is organized under the laws of a jurisdiction other than the United States, a State thereof or the District of Columbia such Person shall promptly notify the Administrative Agent, then, upon the Administrative Agent notifying the Borrowers, and until such notice by such Person is revoked, any obligation of such Person to issue, make, maintain, fund or charge interest or fees with respect to any such Credit Extension shall be suspended, and to the extent required by applicable Law, cancelled. Upon receipt of such notice, the Loan Parties shall, (A) repay that Person's participation in the Loans or other applicable Obligations on the last day of the Interest Period for each Loan or other Obligation occurring after the Administrative Agent has notified the Borrowers or, if earlier, the date specified by such Person in the notice delivered to the Administrative Agent (being no earlier than the last day of any applicable grace period permitted by applicable Law), (B) to the extent applicable to the L/C Issuer, Cash Collateralize that portion of applicable L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit to the extent not otherwise Cash Collateralized and (C) take all reasonable actions requested by such Person to mitigate or avoid such illegality.

3.03 Inability to Determine Rates.

(a) If in connection with any request for a Eurocurrency Rate Loan or a conversion to or continuation thereof, (i) the Administrative Agent determines that (A) deposits (whether in Dollars or an Alternative Currency) are not being offered to banks in the applicable offshore interbank market for such currency for the applicable amount and Interest Period of such Eurocurrency Rate Loan, (B) adequate and reasonable means do not exist for determining the Eurocurrency Rate for any requested Interest Period with respect to a proposed Eurocurrency Rate Loan (whether denominated in Dollars or an Alternative Currency)

or for determining the LIBOR Daily Floating Rate in connection with an existing or proposed Base Rate Loan or (C) a fundamental change has occurred in the foreign exchange or interbank markets with respect to such Alternative Currency (including, without limitation, changes in national or international financial, political or economic conditions or currency exchange rates or exchange controls) (in each case with respect to 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 Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Administrative Agent will promptly so notify the Borrowers and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurocurrency Rate Loans in the affected currency or currencies shall be suspended (to the extent of the affected Eurocurrency Rate Loans or Interest Periods), and (y) in the event of a determination described in the preceding sentence with respect to the LIBOR Daily Floating Rate component of the Base Rate, the utilization of the LIBOR Daily Floating Rate component in determining the Base Rate shall be suspended, in each case until the Administrative Agent (upon the instruction of the Required Lenders in the case of clause (ii) above) revokes such notice. Upon receipt of such notice, the applicable Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurocurrency Rate Loans in the affected currency or currencies (to the extent of the affected Eurocurrency Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in Dollars in the amount specified therein.

(b) Notwithstanding the foregoing, if the Administrative Agent has made the determination described in clause (a)(i) of this Section, the Administrative Agent, in consultation with the Borrowers and the Required Lenders, may establish an alternative interest rate for the Impacted Loans, in which case, such alternative rate of interest shall apply with respect to the Impacted Loans until (1) the Administrative Agent revokes the notice delivered with respect to the Impacted Loans under clause (a)(i) of this Section, (2) the Administrative Agent or the Required Lenders notify the Administrative Agent and the Borrowers that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans, or (3) 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 Borrowers written notice thereof.

3.04 Increased Costs; Reserves on Eurocurrency Rate Loans.

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

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement contemplated by Section 3.04(d)) or the L/C Issuer;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the L/C Issuer or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Eurocurrency Rate Loans made by such Lender or any Letter of Credit or participation therein;

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

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

(c) Mandatory Costs. If any Lender or the L/C Issuer incurs any Mandatory Costs attributable to the Obligations, then from time to time the applicable Borrowers will pay (or cause the applicable Designated Borrower to pay) to such Lender or the L/C Issuer, as the case may be, such Mandatory Costs. Such amount shall be expressed as a percentage rate per annum and shall be payable on the full amount of the applicable Obligations.

(d) Certificates for Reimbursement. A certificate of a Lender or the L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or the L/C Issuer or its holding company, as the case may be, as specified in subsection (a), (b) or (c) of this Section and delivered to the Borrowers shall be conclusive absent manifest error. The applicable Borrowers shall pay such Lender or the L/C Issuer, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(e) Reserves on Eurocurrency Rate Loans. The applicable Borrowers shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of each Eurocurrency Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive absent manifest error), which shall be due and payable on each date on which interest is payable on such Loan, provided the applicable Borrowers shall have received at least ten (10) days' prior notice (with a copy to the Administrative Agent) of such additional interest or costs from such Lender. If a Lender fails to give notice ten (10) days prior to the relevant Interest Payment Date, such additional interest shall be due and payable ten (10) days from receipt of such notice.

(f) Delay in Requests. Failure or delay on the part of any Lender or the L/C Issuer to demand compensation pursuant to the foregoing provisions of this Section 3.04 shall not constitute a waiver of such Lender's or the L/C Issuer's right to demand such compensation, provided that the applicable Borrowers shall not be required to compensate a Lender or the L/C Issuer pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that such Lender or the L/C Issuer, as the case may be, notifies the Borrowers of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine (9) month period referred to above shall be extended to include the period of retroactive effect thereof).

3.05 Compensation for Losses.

Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the applicable Borrowers shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by any Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan on the date or in the amount notified by such Borrower;

(c) any assignment of a Eurocurrency Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by any Borrower pursuant to Section 11.13; or

(d) any failure by any Borrower to make payment of any Loan or drawing under any Letter of Credit (or interest due thereon) denominated in an Alternative Currency on its scheduled due date or any payment thereof in a different currency;

excluding any loss of anticipated profits, any foreign exchange losses and Applicable Margin, but including any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained or from the performance of any foreign exchange contract. The applicable Borrowers shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

A certificate of any Lender setting forth any amount which such Lender is entitled to receive pursuant to this Section 3.05 and the calculation of such amount in reasonable detail shall be delivered to the Borrowers and shall be conclusive absent manifest error. The applicable Borrowers shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

3.06 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.04, or requires the applicable Borrowers to pay any Indemnified Taxes or additional amounts to any Lender, the L/C Issuer, or any Governmental Authority for the account of any Lender or the L/C Issuer pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, such Lender or the L/C Issuer shall, as applicable, use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment

of such Lender or the L/C Issuer, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender or the L/C Issuer, as the case may be, to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or the L/C Issuer, as the case may be. The Borrowers hereby agree to pay all reasonable out of pocket costs and expenses incurred by any Lender or the L/C Issuer in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if any Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 3.06(a), the Borrowers may replace such Lender in accordance with Section 11.13.

3.07 Survival.

All of the Borrowers' obligations under this Article III shall survive termination of the Aggregate Commitments, repayment of all other Obligations hereunder, resignation of the Administrative Agent and the Facility Termination Date.

3.08 LIBOR Successor Rate.

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), or the Borrowers or Required Lenders notify the Administrative Agent (with, in the case of the Required Lenders, a copy to the Borrowers) that the Borrowers 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 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, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace LIBOR,

then, 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 Borrowers 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 time) on the fifth Business Day after the Administrative Agent shall have posted such proposed amendment to all Lenders and the Borrowers 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.

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 Borrowers and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurocurrency Rate Loans shall be suspended, (to the extent of the affected Eurocurrency Rate Loans or Interest Periods), and (y) the Eurocurrency Rate component shall no longer be utilized in determining the Base Rate. Upon receipt of such notice, the Borrowers may revoke any pending request for a Borrowing of, conversion to or continuation of Eurocurrency Rate Loans (to the extent of the affected Eurocurrency Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate 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.

As used above:

"**LIBOR Screen Rate**" means the LIBOR quote on the applicable screen page the Administrative Agent designates to determine LIBOR (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time).

"**LIBOR Successor Rate Conforming Changes**" means, with respect to any proposed LIBOR Successor Rate, any conforming changes to the definition of 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 discretion of the Administrative Agent, 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 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 in consultation with the Borrowers).

ARTICLE IV

CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

4.01 Conditions of Initial Credit Extension.

The obligation of the L/C Issuer and each Lender to make its initial Credit Extension hereunder is subject to satisfaction of the following conditions precedent:

(a) Execution of Credit Agreement; Loan Documents. The Administrative Agent shall have received (i) counterparts of this Agreement, executed by a Responsible Officer of each Loan Party and a duly authorized officer of each Lender, (ii) for the account of each Lender requesting a Note, a Note executed by a Responsible Officer of each Borrower, (iii) counterparts of the Ratification Agreement, and each other Collateral Document, as applicable, executed by a Responsible Officer of the applicable Loan Parties and a duly authorized officer of each other Person party thereto, as applicable and (iv) counterparts of any other Loan Document, executed by a Responsible Officer of the applicable Loan Party and a duly authorized officer of each other Person party thereto.

(b) Officer's Certificate. The Administrative Agent shall have received an Officer's Certificate dated the Closing Date, certifying as to the Organization Documents of each Loan Party (which, to the extent filed with a Governmental Authority, shall be certified as of a recent date by such Governmental Authority), the resolutions of the governing body of each Loan Party (including, with respect to a Swiss Loan Party, (i) a copy of minutes of a meeting (or of a circular resolution) of the board of directors of such Swiss Loan Party approving the Loan Documents to which it is a party and (ii) a copy of minutes of a meeting of the general meeting of shareholders of such Swiss Loan Party approving the Loan Documents to which it is a party), the good standing, existence or its equivalent of each Loan Party and of the incumbency (including specimen signatures) of the Responsible Officers of each Loan Party.

(c) Legal Opinions of Counsel. The Administrative Agent shall have received an opinion or opinions (including, if reasonably requested by the Administrative Agent, local counsel opinions) of counsel for the Loan Parties, dated the Closing Date and addressed to the Administrative Agent and the Lenders, in form and substance reasonably acceptable to the Administrative Agent.

(d) Financial Statements. The Administrative Agent and the Lenders shall have received copies of (A) the financial statements referred to in Section 5.05, (B) audited financial statements of the Parent and its Subsidiaries for the years ended January 31, 2016 and January 31, 2017, and (C) a set of projections including the projected financial performance of the Parent and its Subsidiaries through the Maturity Date prepared in good faith based upon assumptions believed to be reasonable at the time prepared and at the time provided, each in form and substance reasonably satisfactory to each of them.

(e) Personal Property Collateral. The Administrative Agent shall have received, in form and substance reasonably satisfactory to the Administrative Agent:

(i) (A) a completed Perfection Certificate for each Domestic Loan Party and a completed Information Certificate for each Foreign Loan Party, searches of UCC filings in the jurisdiction of incorporation or formation, as applicable, of each Domestic Loan Party and each other jurisdiction deemed reasonably appropriate by the Administrative Agent, copies of the financing statements on file in such jurisdictions and evidence that no Liens exist other than Permitted Liens and (B) tax lien, judgment and bankruptcy searches in such jurisdictions as are deemed reasonably appropriate by the Administrative Agent;

(ii) patent/trademark/copyright filings in suitable form for filing with the United States Patent and Trademark Office or the United States Copyright Office, as applicable, as reasonably requested by the Administrative Agent in order to perfect the Administrative Agent's security interest in the Intellectual Property registered or pending in the United States;

(iii) completed UCC financing statements for each appropriate jurisdiction as is necessary, in the Administrative Agent's sole discretion, to perfect the Administrative Agent's security interest in the Collateral;

(iv) stock or membership certificates, if any, evidencing the Pledged Equity and undated stock or transfer powers duly executed in blank; in each case to the extent such Pledged Equity is certificated (it being understood that any Loan Party and any Subsidiary or other issuer thereof will be obligated to cause any such Pledged Equity not already certificated to become certificated);

(v) in the case of any personal property Collateral located at premises leased by a Loan Party and set forth on Schedule 5.21(d)(ii) with respect to which a Landlord Waiver or similar letter, consent or waicer is required by Administrative Agent, evidence reasonably satisfactory to the Administrative Agent that the Borrowers shall have used commercially reasonable efforts to obtain consents and waivers from the landlords of such real property to the extent required to be delivered in connection with Section 6.14 (such letters, consents and waivers shall be in form and substance reasonably satisfactory to the Administrative Agent, it being acknowledged and agreed that any Landlord Waiver is satisfactory to the Administrative Agent); and

(vi) to the extent required to be delivered pursuant to the terms and conditions of the Collateral Documents, all instruments, documents and chattel paper in the possession of any of the Loan Parties, together with allonges or assignments as may be necessary or appropriate to create and perfect the Administrative Agent's and the Lenders' security interest in such Collateral.

(f) Liability, Casualty, Property and Business Interruption Insurance. The Administrative Agent shall have received copies of insurance policies and summaries, certificates of insurance, declaration pages and endorsements of insurance requested by the Administrative Agent evidencing liability, casualty, property, terrorism and business interruption insurance meeting the requirements set forth herein or in the Collateral Documents or as required by the Administrative Agent. The Loan Parties shall have delivered to the Administrative Agent an Authorization to Share Insurance Information.

(g) Financial Condition Certificate. The Administrative Agent shall have received a certificate or certificates executed by a Responsible Officer of the Parent as of the Closing Date, as to certain financial matters, substantially in the form of Exhibit N.

(h) Loan Notice. The Administrative Agent shall have received a Loan Notice with respect to the Loans to be made on the Closing Date.

(i) Existing Indebtedness of the Loan Parties. The Administrative Agent and the Lenders shall be satisfied that there is no outstanding Indebtedness for borrowed money of each Borrower and its Subsidiaries (other than Indebtedness permitted to exist pursuant to Section 7.02).

(j) KYC Information.

(i) Upon the reasonable request of any Lender made at least ten (10) days prior to the Closing Date, the Borrowers shall have provided to such Lender, and such Lender shall be reasonably satisfied with, the documentation and other information so requested in connection with applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the PATRIOT Act, in each case at least three (3) days prior to the Closing Date.

(ii) At least five (5) days prior to the Closing Date, any Borrower that qualifies as a "legal entity customer" under the Beneficial Ownership Regulation shall deliver, to any requesting Lender, a Beneficial Ownership Certification in relation to such Borrower.

(k) Solvency Certificate. The Administrative Agent shall have received a Solvency Certificate signed by a Responsible Officer of Parent as to the financial condition, solvency and

related matters of the Parent and its Subsidiaries, after giving effect to the initial borrowings under the Loan Documents and the other transactions contemplated hereby.

(l) Consents. The Administrative Agent shall have received evidence that all members, boards of directors, governmental, shareholder and material third party consents and approvals necessary in connection with the entering into of this Agreement and the other Loan Documents have been obtained.

(m) Fees and Expenses. The Administrative Agent and the Lenders shall have received all fees and expenses (including the fees and expenses of counsel (including any local counsel) for the Administrative Agent invoiced at least one Business Day prior to the Closing Date), if any, owing pursuant to the Loan Documents.

(n) Licensing Requirements. The Administrative Agent, Swingline Lender and L/C Issuer and each Lender shall have obtained all applicable licenses, consents, permits and approvals as deemed necessary by such Lender in order to execute and perform the transactions contemplated by the Loan Documents.

(o) Material Adverse Effect. There shall not have occurred since January 31, 2018 any event or condition that has had or could be reasonably expected, either individually or in the aggregate, to have a Material Adverse Effect.

(p) No Litigation. The absence of any action, suit, investigation or proceeding pending or, to the knowledge of the Loan Parties, threatened in any court or before any arbitrator or governmental authority that could reasonably be expected to have a Material Adverse Effect, except for the Watch Tariff Matter.

(q) Due Diligence. The Lenders shall have completed a due diligence investigation of the Borrowers and its Subsidiaries in scope, and with results, satisfactory to the Lenders, including, without limitation, U.S. Department of Treasury Office of Foreign Assets Control, Foreign Corrupt Practices Act ("FCPA") and "know your customer" due diligence.

(r) Other Documents. All other documents provided for herein or which the Administrative Agent or any other Lender may reasonably request or require.

(s) Additional Information. Such additional information and materials which the Administrative Agent and/or any Lender shall reasonably request or require.

Without limiting the generality of the provisions of the last paragraph of Section 9.03, for purposes of determining compliance with the conditions specified in this Section, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

4.02 Conditions to all Credit Extensions.

The obligation of each Lender and the L/C Issuer to honor any Request for Credit Extension is subject to the following conditions precedent:

(a) Representations and Warranties. The representations and warranties of the Borrowers and each other Loan Party contained in Article II, Article V or any other Loan

Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall (i) with respect to representations and warranties that contain a materiality qualification, be true and correct on and as of the date of such Credit Extension and (ii) with respect to representations and warranties that do not contain a materiality qualification, be true and correct in all material respects on and as of the date of such Credit Extension, and except that for purposes of this Section 4.02, the representations and warranties contained in Sections 5.05(a) and (b) shall be deemed to refer to the most recent statements furnished pursuant to Sections 6.01(a) and (b), respectively, except that such representations and warranties that relate solely to an earlier date shall be true and correct as of such earlier date (or with respect to such representations and warranties that do not contain a materiality qualification, be true and correct in all material respects as of such earlier date).

(b) Default. No Default shall have occurred and be continuing, or would result from such proposed Credit Extension or from the application of the proceeds thereof.

(c) Request for Credit Extension. The Administrative Agent and, if applicable, the L/C Issuer or the Swingline Lender, shall have received a Request for Credit Extension in accordance with the requirements hereof.

(d) Designated Borrower. If the applicable Borrower is a Designated Borrower, then the conditions of Section 2.18 to the designation of such Borrower as a Designated Borrower shall have been met to the satisfaction of the Administrative Agent.

(e) Credit Extension of Alternative Currency. In the case of a Credit Extension to be denominated in an Alternative Currency, such currency remains an Eligible Currency.

(f) Legal Impediment. There shall be no impediment, restriction, limitation or prohibition imposed under Law or by any Governmental Authority, as to the proposed financing under the Loan Documents or the repayment thereof or as to rights created under any Loan Document or as to application of the proceeds of the realization of any such rights.

Each Request for Credit Extension submitted by any Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 4.02(a) and (b) have been satisfied on and as of the date of the applicable Credit Extension.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

Each Loan Party represents and warrants to the Administrative Agent and the Lenders, as of the date made or deemed made, that:

5.01 Existence, Qualification and Power.

Each Loan Party and each of its Subsidiaries (a) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified and is licensed

and, as applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in clause (a) (with respect to Subsidiaries that are not Loan Parties) (b)(i) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect. The copy of the Organization Documents of each Loan Party provided to the Administrative Agent pursuant to the terms of Section 4.01(b) is a true and correct copy of each such document as of the Closing Date, each of which is valid and in full force and effect as of the Closing Date.

5.02 Authorization; No Contravention.

The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is a party have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of any of such Person's Organization Documents; (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (i) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries, except for any conflict, breach or contravention that, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any Law in any material respect.

5.03 Governmental Authorization; Other Consents.

No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with (a) the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document, (b) the grant by any Loan Party of the Liens granted by it pursuant to the Collateral Documents, (c) the perfection or maintenance of the Liens created under the Collateral Documents (including the first priority nature thereof) or (d) the exercise by the Administrative Agent or any Lender of its rights under the Loan Documents or the remedies in respect of the Collateral pursuant to the Collateral Documents, other than (i) authorizations, approvals, actions, notices and filings which have been duly obtained and (ii) filings to perfect the Liens created by the Collateral Documents.

5.04 Binding Effect.

This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Loan Party that is party thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principals of equity.

5.05 Financial Statements; No Material Adverse Effect.

(a) Audited Financial Statements. The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present in all material respects the financial condition of the Parent and its Subsidiaries as of the date thereof and their results of operations, cash flows and changes in shareholder's equity for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (iii) show all material indebtedness and other liabilities, direct or contingent, of the

Parent and its Subsidiaries as of the date thereof, including liabilities for taxes, material commitments and Indebtedness.

(b) Quarterly Financial Statements. The unaudited Consolidated balance sheets of the Parent and its Subsidiaries dated July 31, 2018, and the related Consolidated statements of income or operations, shareholders' equity and cash flows for the fiscal quarter ended on that date (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly present in all material respects the financial condition of the Parent and its Subsidiaries as of the date thereof and their results of operations, cash flows and changes in shareholders' equity for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments.

(c) Material Adverse Effect. Since the date of the balance sheet included in the Audited Financial Statements, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

(d) Forecasted Financials. The Consolidated forecasted balance sheets, statements of income and cash flows of the Parent and its Subsidiaries delivered pursuant to Section 4.01 or Section 6.01 were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair in light of the conditions existing at the time of delivery of such forecasts, and represented, at the time of delivery, the Parent's good faith estimate of its future financial condition and performance.

5.06 Litigation.

There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Loan Parties after reasonably diligent investigation, threatened, at law, in equity, in arbitration or before any Governmental Authority, by or against any Loan Party or any Subsidiary or against any of their properties or revenues that (a) purport to affect or pertain to this Agreement or any other Loan Document or any of the transactions contemplated hereby, or (b) either individually or in the aggregate could reasonably be expected to have a Material Adverse Effect except for the Watch Tariff Matter.

5.07 No Default.

Neither any Loan Party nor any Subsidiary thereof is in default under or with respect to, or a party to, any Contractual Obligation that could, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

5.08 Ownership of Property.

Each Loan Party and each of its Subsidiaries has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, except for such defects in title as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.09 Environmental Compliance.

(a) The Loan Parties and their respective Subsidiaries review in the ordinary course of business the effect of existing Environmental Laws and claims alleging potential liability or responsibility for violation of any Environmental Law on their respective businesses, operations

and properties, and as a result thereof the Loan Parties have reasonably concluded that such Environmental Laws and claims could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Neither any Loan Party nor any of its Subsidiaries is undertaking, either individually or together with other potentially responsible parties, any investigation or assessment or remedial or response action relating to any actual or threatened release, discharge or disposal of Hazardous Materials at any site, location or operation, either voluntarily or pursuant to the order of any Governmental Authority or the requirements of any Environmental Law that could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and all Hazardous Materials generated, used, treated, handled or stored at, or transported to or from, any property currently or formerly owned or operated by any Loan Party or any of its Subsidiaries have been disposed of in a manner not reasonably expected to result in liability to any Loan Party or any of its Subsidiaries that could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.10 Insurance.

The properties of the Borrowers and their Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of the Borrowers, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the applicable Loan Party or the applicable Subsidiary operates. Such insurance coverage of the Loan Parties as in effect on the Closing Date is outlined as to carrier, policy number, expiration date, type, and amount on Schedule 5.10 and such insurance coverage complies with the requirements set forth in this Agreement and the other Loan Documents.

5.11 Taxes.

Each Loan Party has filed all federal, material state and other material tax returns and reports required to be filed, and have paid all federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against any Loan Party that would, if made, have a Material Adverse Effect, nor is there any tax sharing agreement applicable to any Loan Party. The filing and recording of any and all documents required to perfect the security interests granted to the Administrative Agent (for the ratable benefit of the Secured Parties) will not result in any documentary, stamp or other taxes.

5.12 ERISA Compliance.

(a) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other federal or state laws, except for such non-compliance as could not reasonably be expected to result in any liability in excess of the Threshold Amount. Each Pension Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter or is subject to a favorable opinion letter from the IRS to the effect that the form of such Plan is qualified under Section 401(a) of the Code and the trust related thereto has been determined by the IRS to be exempt from federal income tax under Section 501(a) of the Code, or an application for such a letter is currently being processed by the IRS, and, to the best knowledge of the Loan Parties, nothing has occurred that would prevent or cause the loss of such tax-qualified status, except where the lack or absence of such qualification could not reasonably be expected to result in any liability in excess of the Threshold Amount.

(b) There are no pending or, to the best knowledge of the Loan Parties, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to result in any liability in excess of the Threshold Amount. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in any liability in excess of the Threshold Amount.

(c) Except as could not reasonably be expected to result in any liability in excess of the Threshold Amount, no ERISA Event has occurred, and no Loan Party nor any ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan.

(d) Neither the Borrowers nor any ERISA Affiliate maintains or contributes to, or has any unsatisfied obligation to contribute to, or liability under, any active or terminated Pension Plan other than (i) on the Closing Date, those listed on Schedule 5.12 hereto and (ii) thereafter, Pension Plans that do not result in any representation contained in this Section 5.12 being untrue.

(e) With respect to each scheme or arrangement mandated by a government other than the United States (a "Foreign Government Scheme or Arrangement") and with respect to each employee benefit plan maintained or contributed to by any Loan Party or any Subsidiary of any Loan Party that is not subject to United States law (a "Foreign Plan"), except, in each case, as could not reasonably be expected to result in any liability in excess of the Threshold Amount:

(i) any employer and employee contributions required by law or by the terms of any Foreign Government Scheme or Arrangement or any Foreign Plan have been made, or, if applicable, accrued, in accordance with normal accounting practices;

(ii) the fair market value of the assets of each funded Foreign Plan, the liability of each insurer for any Foreign Plan funded through insurance or the book reserve established for any Foreign Plan, together with any accrued contributions, is sufficient to procure or provide for the accrued benefit obligations, as of the date hereof, with respect to all current and former participants in such Foreign Plan according to the actuarial assumptions and valuations most recently used to account for such obligations in accordance with applicable generally accepted accounting principles; and

(iii) each Foreign Plan required to be registered has been registered and has been maintained in good standing with applicable regulatory authorities.

(f) Each Borrower represents and warrants as of the Closing Date that the Borrowers are not and will not be using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Revolving Loans, the Letters of Credit or the Revolving Commitments.

5.13 Margin Regulations; Investment Company Act.

(a) Margin Regulations. The Borrowers are not engaged and will not engage, principally or as one of their important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock. Following the application of the proceeds of each Borrowing or drawing under each Letter of Credit, not more than twenty-five percent (25%) of the value of the assets (either of the Borrowers only or of the Borrowers and their Subsidiaries on a Consolidated basis) subject to the provisions of Section 7.01 or Section 7.05 or subject to any

restriction contained in any agreement or instrument between the Borrowers and any Lender or any Affiliate of any Lender relating to Indebtedness and within the scope of Section 8.01(e) will be margin stock.

(b) Investment Company Act. None of the Borrowers, any Person Controlling the Borrowers, or any Subsidiary is or is required to be registered as an "investment company" under the Investment Company Act of 1940.

5.14 Disclosure.

Each Borrower has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries or any other Loan Party 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. No written report, financial statement, certificate or other written information (other than financial models, other forward-looking information and information of a general economic or industry-specific nature) furnished by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case 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 (after giving effect to all supplements thereto) in any material respect; provided that, with respect to projected financial information, each Loan Party represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

5.15 Compliance with Laws.

Each Loan Party and each Subsidiary thereof is in compliance with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

5.16 Solvency.

The Parent and its Subsidiaries on a Consolidated basis are Solvent.

5.17 Casualty, Etc.

Neither the businesses nor the properties of any Loan Party or any of its Subsidiaries are affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other casualty (whether or not covered by insurance) that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

5.18 Sanctions Concerns and Anti-Corruption Laws.

(a) Sanctions Concerns. No Loan Party, nor any Subsidiary, nor, to the knowledge of the Loan Parties and their Subsidiaries, any director, officer, employee, agent, affiliate or representative thereof, is an individual or entity that is, or is owned or controlled by any individual or entity that is (i) currently the subject or target of any Sanctions, (ii) included on OFAC's List of Specially Designated Nationals, HMT's Consolidated List of Financial Sanctions Targets and the Investment Ban List, or any similar list enforced by any other relevant sanctions authority or (iii) located, organized or resident in a Designated Jurisdiction.

(b) Anti-Corruption Laws. The Loan Parties and their Subsidiaries have conducted their business in compliance with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other similar anti-corruption legislation or anti-money laundering legislation in other jurisdictions, and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

5.19 Responsible Officers.

Set forth on Schedule 1.01(c) are Responsible Officers, holding the offices indicated next to their respective names, as of the Closing Date and as of the last date such Schedule was required to be updated in accordance with Section 6.02 and such Responsible Officers are the duly elected and qualified officers or duly appointed authorized signatories of such Loan Party and are duly authorized to execute and deliver, on behalf of the respective Loan Party, this Agreement, the Notes and the other Loan Documents.

5.20 Subsidiaries; Equity Interests; Loan Parties.

(a) Subsidiaries, Joint Ventures, Partnerships and Equity Investments. Set forth on Schedule 5.20(a), is the following information which is true and complete in all respects as of the Closing Date and as of the last date such Schedule was required to be updated in accordance with Section 6.02: (i) a complete and accurate list of all Subsidiaries, joint ventures and partnerships and other equity investments of the Loan Parties as of the Closing Date and as of the last date such Schedule was required to be updated in accordance with Section 6.02, (ii) the number of shares of each class of Equity Interests in each Loan Party outstanding, (iii) the percentage of outstanding shares of each class of Equity Interests owned by the Loan Parties and their Subsidiaries and (iv) the class or nature of such Equity Interests in each Loan Party (i.e. voting, non-voting, preferred, etc.). The outstanding Equity Interests in all Subsidiaries are validly issued, fully paid and non-assessable (to the extent such concepts are applicable) and are owned free and clear of all Liens other than Permitted Liens. 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', buy/sell and put/call provisions in joint venture agreements and nominees' shares required under applicable Law) of any nature relating to the Equity Interests of any Loan Party or any Subsidiary thereof, except as permitted under the Loan Documents.

(b) Loan Parties. Set forth on Schedule 5.20(b) is a complete and accurate list of all Loan Parties, showing as of the Closing Date, or as of the last date such Schedule was required to be updated in accordance with Section 6.02 (as to each Loan Party), (i) the exact legal name, (ii) any former legal names of such Loan Party in the four (4) months prior to the Closing Date, (iii) the jurisdiction of its incorporation or organization, as applicable, (iv) the type of organization, (v) the jurisdictions in which such Loan Party is qualified to do business, (vi) the address of its chief executive office, (vii) the address of its principal place of business, (viii) its U.S. federal taxpayer identification number or, in the case of any non-U.S. Loan Party that does not have a U.S. taxpayer identification number, its unique identification number issued to it by the jurisdiction of its incorporation or organization, (ix) the organization identification number, (x) ownership information (e.g. publicly held or if private or partnership, the owners and partners of each of the Loan Parties) and (xi) the industry or nature of business of such Loan Party.

5.21 Collateral Representations.

(a) Collateral Documents. The provisions of the Collateral Documents are effective to create in favor of the Administrative Agent for the benefit of the Secured Parties a legal, valid and enforceable first priority Lien (subject to Permitted Liens) on all right, title and interest of the respective Loan Parties in the Collateral described therein to the extent required by such Collateral

Documents. Except for filings completed prior to the Closing Date and as contemplated hereby and by the Collateral Documents, no filing or other action will be necessary to perfect or protect such Liens.

(b) Intellectual Property. Set forth on Schedule 5.21(b), as of the Closing Date and as of the last date such Schedule was required to be updated in accordance with Section 6.02, is a list of all material registered or issued Intellectual Property in the United States (including all applications for registration and issuance and all domain names) owned by each of the Loan Parties.

(c) Pledged Equity Interests. Set forth on Schedule 5.21(c) is a list as of the Closing Date of (i) all Pledged Equity and (ii) all other Equity Interests required to be pledged to the Administrative Agent pursuant to the Collateral Documents (in each case, detailing the Grantor (as defined in the Security Agreement)), the Person whose Equity Interests are pledged, the number of shares being pledged of each class of Equity Interests, the certificate number and percentage ownership of outstanding shares of each class of Equity Interests represented by the Equity Interests being pledged and the class or nature of the Equity Interests being pledged (i.e. voting, non-voting, preferred, etc.).

(d) Properties. Set forth on Schedule 5.21(d)(i), as of the Closing Date and as of the last date such Schedule was required to be updated in accordance with Section 6.02, is a list of all Real Properties (including (i) the name of the Loan Party owning such Real Property, (ii) the number of buildings located on such Real Property, (iii) the property address, (iv) the city, county, state and zip code which such Real Property is located). Set forth on Schedule 5.21(d)(ii), as of the Closing Date and as of the last date such Schedule was required to be updated in accordance with Section 6.02, is a list of (A) each headquarter location of the Loan Parties, (B) each other location where any significant administrative or governmental functions are performed, (C) each other location where the Loan Parties maintain any material books or records (electronic or otherwise) and (D) each location where any personal property Collateral is located at any premises owned or leased by a Loan Party with a Collateral value in excess of $2,000,000 (in each case, including (1) an indication if such location is leased or owned, (2), if leased, the name of the lessor, and if owned, the name of the Loan Party owning such property, (3) the address of such property (including, the city, state and zip code) and (4) to the extent owned, the approximate fair market value of such property).

(e) Material Contracts. Set forth on Schedule 5.21(e) is a complete and accurate list of all Material Contracts of the Borrowers and their Subsidiaries as of the Closing Date.

5.22 Intellectual Property; Licenses, Etc.

Each Loan Party and each of its Subsidiaries own, or possess the right to use, all of the material trademarks, service marks, trade names, copyrights, patents, patent rights, franchises, licenses and other intellectual property rights that are reasonably necessary for the operation of their respective businesses, without conflict with the rights of any other Person. To the best knowledge of the Borrowers, no slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by any Loan Party or any of its Subsidiaries infringes upon any rights held by any other Person. No claim or litigation regarding any of the foregoing is pending or, to the best knowledge of the Borrowers, threatened, which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

5.23 Labor Matters.

There are no collective bargaining agreements or Multiemployer Plans covering the employees of the Borrowers or any of their Subsidiaries as of the Closing Date and neither the Borrowers nor any Subsidiary has suffered any strikes, walkouts, work stoppages or other material labor difficulty within the last five (5) years preceding the Closing Date.

5.24 Beneficial Ownership Certification.

As of the Closing Date, the information included in any Beneficial Ownership Certification, if applicable, delivered to any Lender on or prior to the Closing Date, is true and correct in all respects.

5.25 EEA Financial Institutions.

No Loan Party is an EEA Financial Institution.

5.26 Representations as to Foreign Obligors.

Each of the Parent and each Foreign Obligor represents and warrants to the Administrative Agent and the Lenders that:

(a) Such Foreign Obligor is subject to civil and commercial Laws with respect to its obligations under this Agreement and the other Loan Documents to which it is a party (collectively as to such Foreign Obligor, the "Applicable Foreign Obligor Documents"), and the execution, delivery and performance by such Foreign Obligor of the Applicable Foreign Obligor Documents constitute and will constitute private and commercial acts and not public or governmental acts. Neither such Foreign Obligor nor any of its property has any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) under the laws of the jurisdiction in which such Foreign Obligor is organized and existing in respect of its obligations under the Applicable Foreign Obligor Documents.

(b) The Applicable Foreign Obligor Documents are in proper legal form under the Laws of the jurisdiction in which such Foreign Obligor is organized and existing for the enforcement thereof against such Foreign Obligor under the Laws of such jurisdiction, and to ensure the legality, validity, enforceability, priority or admissibility in evidence of the Applicable Foreign Obligor Documents. It is not necessary to ensure the legality, validity, enforceability, priority or admissibility in evidence of the Applicable Foreign Obligor Documents that the Applicable Foreign Obligor Documents be filed, registered or recorded with, or executed or notarized before, any court or other authority in the jurisdiction in which such Foreign Obligor is organized and existing or that any registration charge or stamp or similar tax be paid on or in respect of the Applicable Foreign Obligor Documents or any other document, except for (i) any such filing, registration, recording, execution or notarization as has been made or is not required to be made until the Applicable Foreign Obligor Document or any other document is sought to be enforced and (ii) any charge or tax as has been timely paid.

(c) There is no tax, levy, impost, duty, fee, assessment or other governmental charge, or any deduction or withholding, imposed by any Governmental Authority in or of the jurisdiction in which such Foreign Obligor is organized and existing either (i) on or by virtue of the execution or delivery of the Applicable Foreign Obligor Documents or (ii) on any payment to be made by such Foreign Obligor pursuant to the Applicable Foreign Obligor Documents, except as has been disclosed to the Administrative Agent.

(d) Each Swiss Loan Party is in compliance with the Swiss Non-Bank Rules, provided that a Swiss Borrower shall not be in breach of this representation if its number of creditors in respect of the Swiss

10 Non-Bank Rule is exceeded solely by reason of (i) a failure by one or more Lenders to comply with their obligations under paragraph (b)(iii) of Section 11.06 or (ii) an initial Lender ceasing to be a Swiss Qualifying Bank other than as a result of any change after the date it became an initial Lender under this Agreement in (or in the interpretation, administration, or application of) any law or treaty, or any published practice or published concession of any relevant taxing authority. For the purposes of compliance with this representation each Swiss Borrower shall assume that at any time there may be up to 10 (ten) creditors that are Swiss Non-Qualifying Banks under this Agreement (irrespective of whether or not there are, at any time, any creditors which are Swiss Non-Qualifying Banks).

(e) The execution, delivery and performance of the Applicable Foreign Obligor Documents executed by such Foreign Obligor are, under applicable foreign exchange control regulations of the jurisdiction in which such Foreign Obligor is organized and existing, not subject to any notification or authorization except (i) such as have been made or obtained or (ii) such as cannot be made or obtained until a later date (provided that any notification or authorization described in clause (ii) shall be made or obtained as soon as is reasonably practicable).

(f) The choice of the law of the State of New York as the governing law of the Loan Documents will be recognized and enforced in each Foreign Borrower's jurisdiction of incorporation and any judgment obtained in New York in relation to a Loan Document will be recognized and enforced in the Foreign Borrower's jurisdiction of incorporation.Under the Laws of the jurisdiction in which each Foreign Borrower is incorporated it is not necessary that the Loan Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to the Loan Documents or the transactions contemplated by the Loan Documents.

ARTICLE VI

AFFIRMATIVE COVENANTS

Each of the Loan Parties hereby covenants and agrees that on the Closing Date and thereafter until the Facility Termination Date, such Loan Party shall, and shall cause each of its Subsidiaries to:

6.01 Financial Statements.

Deliver to the Administrative Agent for distribution to each Lender:

(a) Audited Financial Statements. As soon as available, but in any event within ninety (90) days after the end of each fiscal year of the Parent**,** a Consolidated balance sheet of the Parent and its Subsidiaries as at the end of such fiscal year, and the related Consolidated statements of income or operations, changes in shareholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, prepared in accordance with GAAP, such Consolidated statements to be audited and accompanied by a report and opinion of PricewaterhouseCoopers LLP or another independent certified public accountant of nationally recognized standing selected by the Parent and reasonably acceptable to the Administrative Agent, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit; provided that such report and opinion may be subject to a "going concern" or like qualification or exception if such qualification or exception is related solely to an upcoming maturity date of any Indebtedness under this Agreement occurring within 12 months from the time such opinion is required to be delivered to the Administrative Agent pursuant to this Section 6.01(a).

(b) Quarterly Financial Statements. As soon as available, but in any event within forty-five (45) days after the end of each of the first three (3) fiscal quarters of each fiscal year of the Parent, a Consolidated balance sheet of the Parent and its Subsidiaries as at the end of such fiscal quarter, and the related Consolidated statements of income or operations, changes in shareholders' equity and cash flows for such fiscal quarter and for the portion of the Parent's fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, prepared in accordance with GAAP and including a customary management discussion and analysis section, certified by the chief executive officer, chief financial officer, treasurer or controller who is a Responsible Officer of the Parent as fairly presenting in all material respects the financial position and results of operations of the Parent and its Subsidiaries for such fiscal quarter and period, subject to normal year-end audit adjustments and the absence of footnotes.

(c) Business Plan and Budget. Not later than thirty (30) days after the end of each fiscal year of the Parent beginning with the fiscal year ending January 31, 2019, an annual business plan and budget of the Parent and its Subsidiaries on a Consolidated basis, in form and detail reasonably satisfactory to the Administrative Agent, including forecasts prepared by management of the Parent of Consolidated balance sheets and statements of income or operations and cash flows of the Parent and its Subsidiaries on an annual basis for the immediately following fiscal year.

As to any information contained in materials furnished pursuant to Section 6.02(f), the Parent shall not be separately required to furnish such information under Section 6.01(a) or (b) above, but the foregoing shall not be in derogation of the obligation of the Parent to furnish the information and materials described in Sections 6.01(a) and (b) above at the times specified therein.

6.02 Certificates; Other Information.

Deliver to the Administrative Agent for distribution to each Lender:

(a) Compliance Certificate. Concurrently with the delivery of the financial statements referred to in Sections 6.01(a) and (b) (commencing with the delivery of the financial statements for the fiscal quarter ending October 31, 2018), a duly completed Compliance Certificate signed by the chief executive officer, chief financial officer, treasurer or controller which is a Responsible Officer of the Parent in form and detail reasonably satisfactory to the Administrative Agent, and in the event of any change in generally accepted accounting principles used in the preparation of such financial statements, the Parent shall also provide, if necessary for the determination of compliance with Section 7.11, a statement of reconciliation conforming such financial statements to GAAP. Unless the Administrative Agent or a Lender through the Administrative Agent requests executed originals, delivery of the Compliance Certificate may be by electronic communication including fax or email and shall be deemed to be an original and authentic counterpart thereof for all purposes.

(b) Updated Schedules. Concurrently with the delivery of the financial statements referred to in Section 6.01(a) (commencing with the delivery of the financial statements for the fiscal year ending January 31, 2019), the following updated Schedules to this Agreement in form and detail reasonably satisfactory to the Administrative Agent (which may be attached to the Compliance Certificate) to the extent required to make the representation related to such Schedule true and correct as of the date of such Compliance Certificate: Schedules 1.01(c), 5.21(b)(i) and 5.21(c).

(c) Calculations. Concurrently with the delivery of the Compliance Certificate referred to in Section 6.02(a) required to be delivered with the financial statements referred to in Section 6.01(a), a certificate (which may be included in such Compliance Certificate) including the

amount of all Capital Expenditures that were made during the prior fiscal year in form and detail reasonably satisfactory to the Administrative Agent.

(d) Changes in Entity Structure. Within ten (10) days (or such shorter period as agreed to by the Administrative Agent) prior to any merger, consolidation, dissolution or other change in entity structure of any Loan Party permitted pursuant to the terms hereof, provide notice of such change in entity structure to the Administrative Agent in form and detail reasonably satisfactory to the Administrative Agent, along with such other information as reasonably requested by the Administrative Agent. Provide notice to the Administrative Agent, not less than ten (10) days prior (or such shorter period of time as agreed to by the Administrative Agent) of any change in any Loan Party's legal name, state of organization, or organizational existence.

(e) Audit Reports; Management Letters; Recommendations. Promptly after any request by the Administrative Agent or any Lender, copies of any detailed audit reports, management letters or recommendations submitted to the board of directors (or the audit committee of the board of directors) of any Loan Party by independent accountants in connection with the accounts or books of any Loan Party or any of its Subsidiaries, or any audit of any of them.

(f) Annual Reports; Etc. Promptly after the same are available, copies of each annual report, proxy or financial statement or other report or communication sent generally to the stockholders of the Parent, and copies of all annual, regular, periodic and special reports and registration statements which the Parent may file or be required to file with the SEC under Section 13 or 15(d) of the Securities Exchange Act of 1934, or with any national securities exchange, and in any case not otherwise required to be delivered to the Administrative Agent pursuant hereto.

(g) Debt Securities Statements and Reports. Promptly after the furnishing thereof, copies of any statement or report furnished generally to holders of debt securities of any Loan Party or of any of its Subsidiaries pursuant to the terms of any indenture, loan or credit or similar agreement and not otherwise required to be furnished to the Lenders pursuant to Section 6.01 or any other clause of this Section.

(h) SEC Notices. Promptly after receipt thereof by any Loan Party or any Subsidiary thereof, copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding financial or other operational results of any Loan Party or any Subsidiary thereof.

(i) Notices. Not later than five (5) Business Days after receipt thereof by any Loan Party or any Subsidiary thereof, copies of all notices, requests and other documents (including amendments, waivers and other modifications) so received under or pursuant to any instrument, indenture, loan or credit or similar agreement regarding or related to any breach or default by any party thereto or any other event that could reasonably be expected to materially impair the value of the interests or the rights of any Loan Party or otherwise have a Material Adverse Effect and, from time to time upon request by the Administrative Agent, such information and reports regarding such instruments, indentures and loan and credit and similar agreements as the Administrative Agent may reasonably request.

(j) Environmental Notice. Promptly after the assertion or occurrence thereof, notice of any action or proceeding against or of any noncompliance by any Loan Party or any of its Subsidiaries with any Environmental Law or Environmental Permit that could (i) reasonably be expected to have a Material Adverse Effect or (ii) cause any Real Property to be subject to any restrictions on ownership, occupancy, use or transferability under any Environmental Law.

(k) KYC. Promptly following any request therefor, provide information and documentation reasonably requested by 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.

(l) Additional Information. Promptly, such additional information regarding the business, financial, legal or corporate affairs of any Loan Party or any Subsidiary thereof, or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender may from time to time reasonably request.

Documents required to be delivered pursuant to Section 6.01(a) or (b) or Section 6.02(f) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (a) on which the Parent posts such documents, or provides a link thereto on the Parent's website on the Internet at the website address listed on Schedule 1.01(a); or (b) on which such documents are posted on the Parent's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that: (i) the Parent shall deliver paper copies of such documents to the Administrative Agent or any Lender upon its request to the Parent to deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (ii) the Parent shall notify the Administrative Agent and each Lender (by fax transmission or e-mail transmission) of the posting of any such documents and provide to the Administrative Agent by e-mail electronic versions (i.e., soft copies) of such documents. The Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Parent with any such request by a Lender for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

Each Borrower hereby acknowledges that the Administrative Agent and/or an Affiliate thereof may, but shall not be obligated to, make available to the Lenders and the L/C Issuer materials and/or information provided by or on behalf of the Borrowers hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on IntraLinks, Syndtrak, ClearPar or a substantially similar electronic transmission system (the "Platform").

6.03 Notices.

Promptly after a Responsible Officer's obtaining knowledge thereof, but in any event within five (5) Business Days after a Responsible Officer's obtaining knowledge thereof, notify the Administrative Agent and each Lender:

(a) of the occurrence of any Default;

(b) of any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect**;**

(c) of the occurrence of any ERISA Event; or

(d) of any material change in accounting policies or financial reporting practices by any Loan Party or any Subsidiary thereof, including any determination by the Borrowers referred to in Section 2.10(b).

Each notice pursuant to this Section 6.03 shall be accompanied by a statement of a Responsible Officer of the Parent setting forth details of the occurrence referred to therein and to the extent applicable, stating what action the Borrowers have taken and propose to take with respect thereto. Each notice pursuant to Section 6.03(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

6.04 Payment of Obligations.

Pay and discharge as the same shall become due and payable, all its obligations and liabilities, including (a) all material tax liabilities, assessments and governmental charges or levies upon it or its properties or assets and all lawful claims which, if unpaid, would by law become a Lien upon its property unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Borrowers or such Subsidiary and (b) all Indebtedness in aggregate in excess of the Threshold Amount, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness.

6.05 Preservation of Existence, Etc.

(a) preserve, renew and maintain in full force and effect its legal existence and, with respect to each Loan Party and each Significant Subsidiary, good standing under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 7.04 or 7.05;

(b) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and

(c) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect.

6.06 Maintenance of Properties.

(a) Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted and subject to casualty and condemnation; and

(b) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so could not reasonably be expected to have a Material Adverse Effect**.**

6.07 Maintenance of Insurance.

(a) Maintenance of Insurance. Maintain with financially sound and reputable insurance companies not Affiliates of the Borrowers, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons.

(b) Evidence of Insurance. Cause the Administrative Agent to be named as lenders' loss payable, loss payee or mortgagee, as its interest may appear, and/or additional insured with respect of any such insurance providing liability coverage or coverage in respect of any Collateral, and to the extent commercially available on commercially reasonable terms, cause, unless

otherwise agreed to by the Administrative Agent, each provider of any such insurance to agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to the Administrative Agent that it will give the Administrative Agent thirty (30) days prior written notice before any such policy or policies shall be cancelled (or ten (10) days prior notice in the case of cancellation due to the nonpayment of premiums). Annually, upon expiration of current insurance coverage, the Loan Parties shall provide, or cause to be provided, to the Administrative Agent, such evidence of insurance as required by the Administrative Agent, including, but not limited to: (i) evidence of such insurance policies (including, without limitation and as applicable, ACORD Form 28 certificates (or similar form of insurance certificate), and ACORD Form 25 certificates (or similar form of insurance certificate)), (ii) declaration pages for each insurance policy and (iii) lender's loss payable and/or additional insured endorsements, as applicable, if the Administrative Agent for the benefit of the Secured Parties is not on the declarations page for such policy. As requested by the Administrative Agent, the Loan Parties agree to deliver to the Administrative Agent an Authorization to Share Insurance Information.

6.08 Compliance with Laws.

Comply with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; or (b) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

6.09 Books and Records.

Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of such Loan Party or such Subsidiary, as the case may be.

6.10 Inspection Rights.

Permit representatives and independent contractors of the Administrative Agent to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants (provided that the Administrative Agent shall provide the Borrowers the opportunity to participate in any discussions with the independent public accountants), all at the expense of the Applicable Borrowers and at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Borrowers; provided, however, that when an Event of Default exists the Administrative Agent or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing at the expense of the Applicable Borrowers at any time during normal business hours and without advance notice.

6.11 Use of Proceeds.

Use the proceeds of the Credit Extensions for general corporate purposes not in contravention of any Law or of any Loan Document, including for share repurchases to the extent permitted by the terms of this Agreement.

6.12 [Reserved.]

6.13 Covenant to Guarantee Obligations.

The Loan Parties will cause each of their Material Domestic Subsidiaries (excluding any CFC Holding Company), whether newly formed, after acquired or otherwise existing, to promptly (and in any event within thirty (30) days after such Subsidiary is formed or acquired (or such longer period of time as agreed to by the Administrative Agent in its reasonable discretion)) become a Guarantor hereunder by way of execution of a Joinder Agreement. In connection therewith, the Loan Parties shall give notice to the Administrative Agent not less than ten (10) days prior to creating a Material Domestic Subsidiary (or such shorter period of time as agreed to by the Administrative Agent in its reasonable discretion), or acquiring the Equity Interests of any other Person that, once acquired, would constitute a Material Domestic Subsidiary. In connection with the foregoing, the Loan Parties shall deliver to the Administrative Agent, with respect to each new Guarantor to the extent applicable, substantially the same documentation required pursuant to Sections 4.01(b), (c), (e) and (f) and 6.14 and such other documents or agreements as the Administrative Agent may reasonably request.

6.14 Covenant to Give Security.

Except with respect to Excluded Property:

(a) Equity Interests and Personal Property. Each Domestic Borrower and Domestic Guarantor will cause the Pledged Equity and all of its tangible and intangible personal property now owned or hereafter acquired by it to be subject at all times to a first priority, perfected Lien (subject to Permitted Liens to the extent permitted by the Loan Documents) in favor of the Administrative Agent for the benefit of the Secured Parties to secure the Secured Obligations pursuant to and to the extent contemplated by the terms and conditions of the Collateral Documents. Each applicable Loan Party shall provide opinions of counsel reasonably requested by the Administrative Agent and any filings and deliveries reasonably necessary in connection therewith to perfect the security interests therein, all in form and substance reasonably satisfactory to the Administrative Agent.

(b) Landlord Waivers. In the case of (i) each headquarter location of any Domestic Loan Party, each other location where any significant administrative or governing functions are performed for such Loan Parties and each other location where any Domestic Loan Party maintains any material books or records (electronic or otherwise) and (ii) any personal property Collateral located at any other premises leased by a Domestic Loan Party containing personal property Collateral with a value in excess of $2,000,000, the applicable Loan Parties will provide the Administrative Agent with such estoppel letters, consents and waivers from the landlords on such real property to the extent (A) requested by the Administrative Agent and (B) the applicable Loan Parties are able to secure such letters, consents and waivers after using commercially reasonable efforts (such letters, consents and waivers shall be in form and substance reasonably satisfactory to the Administrative Agent, it being acknowledged and agreed that any Landlord Waiver is satisfactory to the Administrative Agent).

(c) Further Assurances. At any time upon request of the Administrative Agent, promptly execute and deliver any and all further instruments and documents and take all such other action (including promptly completing any registration or stamping of documents as may be applicable) as the Administrative Agent may deem reasonably necessary or desirable to maintain in favor of the Administrative Agent, for the benefit of the Secured Parties, Liens and insurance rights on the Collateral that are duly perfected in accordance with the requirements of, or the obligations of the Loan Parties under, the Loan Documents and all applicable Laws.

6.15 Further Assurances.

Promptly upon request by the Administrative Agent, or any Lender through the Administrative Agent, (a) correct any material defect or error that may be discovered in any Loan Document or in the execution, acknowledgment, filing or recordation thereof, and (b) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments (including promptly completing any registration or stamping of documents as may be applicable) as the Administrative Agent, or any Lender through the Administrative Agent, may reasonably require from time to time in order to (i) carry out more effectively the purposes of the Loan Documents, (ii) to the fullest extent permitted by applicable Law, subject any Loan Party's or any of its Subsidiaries' properties, assets, rights or interests to the Liens now or hereafter intended to be created by any of the Collateral Documents to the extent contemplated thereby, (iii) perfect and maintain the validity, effectiveness and priority of any of the Collateral Documents and any of the Liens intended to be created thereunder to the extent contemplated thereby and (iv) assure, convey, grant, assign, transfer, preserve, protect and confirm more effectively unto the Secured Parties the rights granted or now or hereafter intended to be granted to the Secured Parties under any Loan Document or under any other instrument executed in connection with any Loan Document to which any Loan Party or any of its Subsidiaries is or is to be a party, and cause each of its Subsidiaries to do so.

6.16 [Reserved.]

6.17 Compliance with Environmental Laws.

Except where the failure to do so could not reasonably be expected to have a Material Adverse Effect, (a) comply, and cause all lessees and other Persons operating or occupying its properties to comply, in all material respects, with all applicable Environmental Laws and Environmental Permits; (b) obtain and renew all material Environmental Permits necessary for its operations and properties; and (c) conduct any investigation, study, sampling and testing, and undertake any cleanup, removal, remedial or other action necessary to remove and clean up all Hazardous Materials from any of its properties, in accordance in all material respects with the requirements of all Environmental Laws; provided, however, that neither the Borrowers nor any of their Subsidiaries shall be required to undertake any such cleanup, removal, remedial or other action to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances in accordance with GAAP.

6.18 [Reserved]

6.19 Anti-Corruption Laws.

Conduct its business in compliance with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other similar anti-corruption legislation or anti-money laundering legislation in other jurisdictions and maintain policies and procedures designed to promote and achieve compliance with such laws.

6.20 Approvals and Authorizations.

Maintain all authorizations, consents, approvals and licenses from, exemptions of, and filings and registrations with, each Governmental Authority of the jurisdiction in which each Foreign Obligor is organized and existing, and all approvals and consents of each other Person in such jurisdiction, in each case that are required in connection with the Loan Documents.

6.21 Pari Passu Ranking.

Ensure that the payment obligations of the Loan Parties under the Loan Documents rank and continue to rank at least pari passu with the claims of all of the Loan Parties' other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

6.22 Swiss Non-Bank Rules

Each Swiss Loan Party shall ensure that it is in compliance with the Swiss Non-Bank Rules at any time, provided that a Swiss Borrower shall not be in breach of this covenant if its number of creditors in respect of the Swiss 10 Non-Bank Rule is exceeded solely by reason of (i) a failure by one or more Lenders to comply with their obligations under paragraph (b)(iii) of Section 11.06 or (ii) an initial Lender ceasing to be a Swiss Qualifying Bank other than as a result of any change after the date it became an initial Lender under this Agreement in (or in the interpretation, administration, or application of) any law or treaty, or any published practice or published concession of any relevant taxing authority. For the purposes of compliance with this covenant, a Swiss Borrower shall assume that at any time there may be up to 10 (ten) creditors that are Swiss Non-Qualifying Banks under this Agreement (irrespective of whether or not there are, at any time, any creditors which are Swiss Non-Qualifying Banks).

ARTICLE VII

NEGATIVE COVENANTS

Each of the Loan Parties hereby covenants and agrees that on the Closing Date and thereafter until the Facility Termination Date, no Loan Party shall, nor shall it permit any Subsidiary to, directly or indirectly:

7.01 Liens.

Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, except for the following (the "Permitted Liens"):

(a) Liens pursuant to any Loan Document;

(b) Liens existing on the Closing Date and listed on Schedule 7.01 and any renewals, extensions or refinancings thereof, provided that (i) the property covered thereby is not increased (plus improvements and accessions to such property and proceeds thereof), (ii) the amount secured or benefited thereby is not increased except as contemplated by Section 7.02(b), (iii) the direct and contingent obligors with respect thereto are not more extensive, and (iv) any renewal or extension of the obligations secured or benefited thereby to the extent constituting Indebtedness is permitted by Section 7.02(b);

(c) Liens for Taxes not yet due or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(d) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which are not overdue for a period of more than thirty (30) days or which are being contested in good faith and by appropriate proceedings diligently

conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person;

(e) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA;

(f) deposits to secure the performance of bids, contracts and leases (other than Indebtedness), licenses, statutory obligations, surety, stay and appeal bonds, indemnity, performance and other similar bonds and other obligations of a like nature incurred in the ordinary course of business;

(g) easements, rights-of-way, restrictions and other similar encumbrances affecting real property which, in the aggregate, are not substantial in amount, and which do not in any case materially interfere with the ordinary conduct of the business of the applicable Person;

(h) Liens securing judgments for the payment of money (or appeal or other surety bonds relating to such judgments) not constituting an Event of Default under Section 8.01(h);

(i) Liens securing Indebtedness permitted under Section 7.02(c); provided that (i) such Liens do not at any time encumber any property other than the property financed, acquired, developed, constructed, purchased, leased, repaired or improved by such Indebtedness and (ii) the Indebtedness secured thereby at the time incurred does not exceed the lower of the cost of such acquisition, development, construction, purchase, lease, repair or improvement or the fair market value of the applicable property;

(j) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash, Cash Equivalents and other items on deposit in one or more accounts maintained by any Borrower or any of its Subsidiaries with any depository institution, securities intermediary or commodities intermediary, in each case in the ordinary course of business in favor of the institutions with which such accounts are maintained;

(k) Liens arising out of judgments or awards not resulting in an Event of Default; provided the applicable Loan Party or Subsidiary shall in good faith be prosecuting an appeal or proceedings for review or the period for commencing such appeal or proceeding shall not have expired;

(l) Any interest or title of a lessee, licensee or sublessee under any lease, license or sublease entered into by any Loan Party or any Subsidiary thereof in the ordinary course of business or in connection with any Disposition permitted hereunder;

(m) Liens of a collection bank arising under Section 4-210 of the UCC on items in the course of collection;

(n) Liens on property of a Person existing at the time such Person is merged into or consolidated with any Borrower or any Subsidiary of any Borrower or becomes a Subsidiary of any Borrower; provided that such Liens were not created in contemplation of such merger, consolidation or Investment and do not extend to any assets other than those of the Person merged into or consolidated with such Borrower or such Subsidiary or acquired by such Borrower or such Subsidiary, and the applicable obligations secured by such Lien to the extent constituting Indebtedness are permitted under Section 7.02; and

(o) Liens on assets of Foreign Subsidiaries to secure permitted Indebtedness and other obligations of such Foreign Subsidiaries; provided that the aggregate outstanding principal amount of Indebtedness or other obligations secured by such Liens on the assets of Foreign Subsidiaries that are Loan Parties may not exceed $5,000,000;

(p) other Liens securing Indebtedness or other obligations outstanding in an aggregate principal amount not to exceed $10,000,000; and

(q) Liens in favor of any Foreign Obligation Provider securing the Foreign Subsidiary Secured Obligations permitted pursuant to Section 7.02(l).

7.02 Indebtedness.

Create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness under the Loan Documents;

(b) Indebtedness outstanding on the date hereof and listed on Schedule 7.02(b) and any refinancings, refundings, renewals or extensions thereof; provided that the amount of such Indebtedness is not increased at the time of such refinancing, refunding, renewal or extension except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such refinancing and by an amount equal to any existing commitments unutilized thereunder and the direct or any contingent obligor with respect thereto is not changed, as a result of or in connection with such refinancing, refunding, renewal or extension;

(c) Indebtedness in respect of Capitalized Leases, Synthetic Lease Obligations and purchase money obligations incurred to finance or reimburse the cost of the acquisition, development, construction, purchase, lease, repair or improvement of property (real or personal) used or useful in a Permitted Business, whether through the direct purchase of assets or the Equity Interests of any Person that owns no other assets or property than those that would be permitted to be purchased directly under this clause (c) (which Indebtedness may be issued at any time within 180 days of such acquisition, development, construction, purchase, lease, repair or improvement) and any refinancing, refunding, renewal or extension thereof consistent with the proviso to Section 7.01(b); provided, however, that the aggregate amount of all such Indebtedness at any one time outstanding shall not exceed $20,000,000;

(d) (i) Unsecured Indebtedness of a Borrower or a Subsidiary of a Borrower owed to a Borrower or a Subsidiary of any Borrower, which Indebtedness shall (A) if owed to a Loan Party, to the extent required by the Administrative Agent, be evidenced by promissory notes which shall be pledged to the Administrative Agent as Collateral for the Secured Obligations in accordance with the terms of the Security Agreement and (B) be otherwise permitted under the provisions of Section 7.03, and (ii) Indebtedness of a Subsidiary that is not a Loan Party owed to another Subsidiary that is not a Loan Party (clause (i) and (ii), collectively, "Intercompany Debt");

(e) Guarantees of (i) the Loan Parties in respect of Indebtedness otherwise permitted hereunder of the Loan Parties and (ii) Subsidiaries that are not Loan Parties of Indebtedness otherwise permitted hereunder of the Loan Parties or any other Subsidiary;

(f) Indebtedness of any Person that becomes a Subsidiary of any Borrower after the date hereof in a transaction permitted hereunder in an aggregate principal amount not to exceed $20,000,000 at any time outstanding, provided that such Indebtedness is existing at the time such

Person becomes a Subsidiary of any Borrower and was not incurred solely in contemplation of such Person's becoming a Subsidiary of such Borrower), and any refinancings, refundings, renewals or extensions thereof; provided that the amount of such Indebtedness is not increased at the time of such refinancing, refunding, renewal or extension except by an amount equal to a reasonable premium or other reasonable amount paid, and accrued interest, fees and expenses reasonably incurred, in connection with such refinancing and by an amount equal to any existing commitments unutilized thereunder and the direct or any contingent obligor with respect thereto is not changed, as a result of or in connection with such refinancing, refunding, renewal or extension;

(g) obligations (contingent or otherwise) existing or arising under any Swap Contract in respect of interest rate, currency, foreign exchange or commodities, provided that such obligations are (or were) entered into by such Person in the ordinary course of business and not for speculative purposes**;**

(h) Indebtedness incurred by a Borrower that (a) is expressly subordinate and junior in right of payment to the payment in full of the Obligations, which subordination terms shall be reasonably satisfactory to the Administrative Agent, and (b) (i) matures, (ii) is not mandatorily redeemable or redeemable at the option of the holder thereof, in whole or in part, until and (iii) does not have any regularly scheduled payments of principal until, in each case, after the date that is six months after the Maturity Date;

(i) Indebtedness of Foreign Subsidiaries that is not guaranteed by any Borrower or Guarantor, as long as the aggregate outstanding principal amount thereof does not exceed $60,000,000 at any time;

(j) Contingent Obligations (a) arising from endorsements of checks, drafts or other items of payment for collection or deposit in the ordinary course of business; (b) existing on the Closing Date as set forth on Schedule 7.02(j), and any extension or renewal thereof that does not increase the amount of such Contingent Obligation when extended or renewed; (c) incurred in the ordinary course of business with respect to surety, appeal or performance bonds, leases, licenses, or other similar obligations; (d) arising from customary indemnification obligations in favor of purchasers in connection with dispositions of assets permitted hereunder; (e) arising under the Loan Documents; or (f) in an aggregate amount of $5,000,000 or less at any time;

(k) Indebtedness in respect of Swap Obligations permitted hereunder and Cash Management Agreements;

(l) Indebtedness under the Foreign Obligation Loan Documents in an aggregate principal amount outstanding at any time not to exceed the Dollar Equivalent of $10,000,000; and

(m) other unsecured Indebtedness in an aggregate principal amount not to exceed $20,000,000 at any time outstanding.

7.03 Investments.

Make or hold any Investments, except:

(a) Investments held by the Borrowers and their Subsidiaries in the form of cash or Cash Equivalents;

(b) advances to officers, directors and employees of the Borrowers and Subsidiaries in an aggregate amount not to exceed $2,000,000 at any time outstanding, for salary, commissions, travel, entertainment, relocation and analogous ordinary business purposes;

(c) (i) Investments by any Borrower and its Subsidiaries in their respective Subsidiaries outstanding on the date hereof, (ii) additional Investments by any Borrower and its Subsidiaries in Loan Parties, (iii) additional Investments by Subsidiaries of any Borrower that are not Loan Parties in other Subsidiaries that are not Loan Parties and (iv) so long as no Default has occurred and is continuing or would result from such Investment, additional Investments by the Loan Parties in Wholly-owned Subsidiaries that are not Loan Parties in an aggregate amount invested from the date hereof not to exceed the sum of (A) $15,000,000, plus (B) an amount equal to any returns (including dividends, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) actually received in respect of any such Investment made pursuant to this clause (c) (*provided*, that amounts added pursuant to this clause (B) shall not, in any event, exceed the fair market value (as determined in good faith by the Parent) of the applicable Investment at the time such Investment was initially made);

(d) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business;

(e) Guarantees permitted by Section 7.02;

(f) Investments existing on the date hereof (other than those referred to in Section 7.03(c)(i)) and set forth on Schedule 7.03;

(g) Permitted Acquisitions;

(h) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of suppliers and customers or in settlement of delinquent obligations of, and other disputes with, third parties arising in the ordinary course of business;

(i) Investments consisting of the licensing or acquisition of Intellectual Property pursuant to joint marketing agreements, licenses or other agreements with other Persons;

(j) Investments made as a result of the receipt of non-cash consideration from a Disposition that was made pursuant to and in compliance with Section 7.05;

(k) any acquisition of assets or Equity Interests solely in exchange for the issuance of Equity Interests of the Parent in connection with a transaction otherwise permitted hereunder;

(l) Investments resulting from the acquisition of a Person that becomes a Subsidiary of any Borrower that is otherwise permitted by this Agreement, which Investments at the time of such acquisition were held by the acquired Persons and were not acquired in contemplation of such acquisition;

(m) Investments resulting from pledges and deposits permitted under Section 7.01;

(n) subject to the satisfaction (as determined by the Administrative Agent) of the Movado SA Equity Transfer Conditions, the Movado SA Equity Transfer; and

(o) other Investments not exceeding $20,000,000 in the aggregate in any fiscal year of the Parent.

7.04 Fundamental Changes.

Merge, dissolve, liquidate, consolidate with or into another Person, effectuate any division into two or more Persons or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except that, so long as no Default exists or would result therefrom:

(a) any Subsidiary may merge or consolidate with (i) any Borrower, provided that such Borrower shall be the continuing or surviving Person, or (ii) any one or more other Subsidiaries, provided that when any Loan Party is merging or consolidating with another Subsidiary that is not a Loan Party, such Loan Party shall be the continuing or surviving Person;

(b) any Loan Party may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to any Borrower or to another Loan Party, and in connection therewith, dissolve or liquidate;

(c) any Subsidiary that is not a Loan Party may dispose of all or substantially all its assets (including any Disposition that is in the nature of a liquidation) to (i) another Subsidiary that is not a Loan Party or (ii) to a Loan Party;

(d) in connection with any Permitted Acquisition, any Subsidiary of any Borrower may merge into or consolidate with any other Person or permit any other Person to merge into or consolidate with it; provided that (i) the Person surviving such merger shall be a Wholly-owned Subsidiary of a Borrower and (ii) in the case of any such merger to which any Loan Party (other than a Borrower) is a party, such Loan Party is the surviving Person; and

(e) so long as no Default has occurred and is continuing or would result therefrom, each of the Borrowers and any of its Subsidiaries may merge into or consolidate with any other Person or permit any other Person to merge into or consolidate with it; provided, however, that in each case, immediately after giving effect thereto (i) in the case of any such merger to which any Borrower is a party, such Borrower is the surviving Person and (ii) in the case of any such merger to which any Loan Party (other than such Borrower) is a party, such Loan Party is the surviving Person.

7.05 Dispositions.

Make any Disposition or enter into any agreement to make any Disposition, except:

(a) Permitted Transfers;

(b) Dispositions of obsolete or worn out property and Dispositions of property no longer used or useful in the conduct of the business of the Parent and its Subsidiaries, whether now owned or hereafter acquired, in the ordinary course of business;

(c) Dispositions of Intellectual Property, whether now owned or hereafter acquired, in the ordinary course of business and abandonment of Intellectual Property of any Borrower or any Subsidiary determined in good faith by the Parent to be no longer useful in the operation of the business of the Borrowers and their Subsidiaries;

(d) Dispositions of equipment or real property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds

of such Disposition are reasonably promptly applied to the purchase price of such replacement property;

(e) Liens permitted by Section 7.01, Investments permitted by Section 7.03, transactions permitted by Section 7.04 and Restricted Payments permitted by Section 7.06;

(f) subject to the satisfaction (as determined by the Administrative Agent) of the Movado SA Equity Transfer Conditions, the Movado SA Equity Transfer; and

(g) other Dispositions so long as (i) not less than 75% of the consideration paid in connection therewith shall be cash or Cash Equivalents paid contemporaneously with consummation of the transaction and shall be in an amount not less than the fair market value of the property disposed of, (ii) such transaction does not involve a sale or other disposition of receivables of a Loan Party other than receivables owned by or attributable to other property concurrently being disposed of in a transaction otherwise permitted under this Section, and (iii) the aggregate net book value of all of the assets sold or otherwise disposed of by the Loan Parties and their Subsidiaries in all such transactions in any fiscal year of the Parent shall not exceed $20,000,000.

7.06 Restricted Payments.

Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that, so long as no Default shall have occurred and be continuing at the time of any action described below or would result therefrom:

(a) each Subsidiary may make Restricted Payments to any Person that owns Equity Interests in such Subsidiary, ratably according to their respective holdings of the type of Equity Interest in respect of which such Restricted Payment is being made;

(b) the Borrowers may make Permitted Tax Distributions;

(c) the Borrowers and each Subsidiary may declare and make dividend payments or other distributions payable solely in common Equity Interests of such Person;

(d) the repurchase of Equity Interests deemed to occur upon the exercise of stock options, warrants, convertible notes or similar rights to the extent that such Equity Interests represent a portion of the exercise price of those stock options, warrants or similar rights or the payment of related withholding taxes;

(e) the payment of cash in lieu of fractional Equity Interests upon the exercise of stock options or warrants or upon the conversion or exchange of Equity Interests;

(f) the Borrowers may make other Restricted Payments, provided that the Loan Parties shall demonstrate to the reasonable satisfaction of the Administrative Agent that, after giving effect to such transaction on a Pro Forma Basis, (i) the Loan Parties are in Pro Forma Compliance and (ii) the Consolidated Leverage Ratio shall be at least 0.25 to 1.0 less than the then applicable level set forth in Section 7.11, calculated using the same Measurement Period used to determine Pro Forma Compliance; and

(g) any non-Wholly-owned Subsidiary may buy or redeem Equity Interests held by minority equity holders, provided that the Loan Parties shall demonstrate to the reasonable satisfaction of the Administrative Agent that, after giving effect to such transaction on a Pro Forma

Basis, (i) the Loan Parties are in Pro Forma Compliance and (ii) the Consolidated Leverage Ratio shall be at least 0.25 to 1.0 less than the then applicable level set forth in Section 7.11, calculated using the same Measurement Period used to determine Pro Forma Compliance.

7.07 Change in Nature of Business.

Engage in any material line of business substantially different from those lines of business conducted by the Parent, the other Borrowers and their Subsidiaries on the date hereof or any business substantially related or incidental thereto or a reasonable extension thereof.

7.08 Transactions with Affiliates.

Enter into or be party to any transaction with an Affiliate, except (a) transactions contemplated by the Loan Documents; (b) payment of reasonable compensation to officers and employees for services actually rendered and provision of benefits thereto in the ordinary course of business; (c) payment of customary directors' fees, expenses and indemnities; (d) transactions solely among Borrowers and Guarantors (or any Person that becomes a Borrower or Guarantor in connection with such transaction); (e) transactions with Affiliates that were entered into prior to the Closing Date, as shown on Schedule 7.08; (f) transactions with Affiliates undertaken in good faith, upon fair and reasonable terms fully disclosed to the Administrative Agent (upon the Administrative Agent's request) and no less favorable than would be obtained in a comparable arm's-length transaction with a non-Affiliate; (g) indemnification, noncompetition and confidentiality arrangements with employees and directors in the ordinary course of business; (h) transactions solely among Subsidiaries that are not Loan Parties; (i) loans and advances to officers and employees permitted under this Agreement; (j) Investments permitted under Section 7.03; and (k) Restricted Payments permitted under Section 7.06.

7.09 Burdensome Agreements.

Enter into, or permit to exist, any Contractual Obligation (except for this Agreement and the other Loan Documents) that (a) encumbers or restricts the ability of any such Person to (i) to act as a Loan Party; (ii) make Restricted Payments to any Loan Party, (iii) pay any Indebtedness or other obligation owed to any Loan Party, (iv) make loans or advances to any Loan Party, or (v) create any Lien upon any of their properties or assets, whether now owned or hereafter acquired, or (b) requires the grant of any Lien on property for any obligation if a Lien on such property is given as security for the Secured Obligations (each, a "Restrictive Agreement"), except (A) a Restrictive Agreement as in effect on the Closing Date and shown on Schedule 7.09, (B) in the case of clause (a)(v) only, prohibitions on the pledge of assets subject to a Lien permitted by Section 7.01 to the extent such prohibition applies solely to the assets encumbered by such Lien; (C) in the case of clause (a)(v) only, customary provisions in leases and other contracts restricting assignment thereof; (D) any prohibition or restriction in an agreement to the extent required by Applicable Law, (E) any prohibition or restriction in an agreement binding upon a Subsidiary or any of its Subsidiaries at the time such Subsidiary is acquired by a Borrower or a Subsidiary (other than obligations incurred as consideration in or in contemplation of such acquisition), which prohibition or restriction (i) is not applicable to the Borrowers or their other Subsidiaries or the properties or assets of the Borrowers or their other Subsidiaries and (ii) would not prohibit or restrict such Subsidiary from guarantying the Obligations and granting a Lien on its assets, in each case to the extent required by Sections 6.13 and 6.14, (F) any prohibition or restriction applicable solely to a Foreign Subsidiary and contained in any agreement governing Indebtedness incurred by such Foreign Subsidiary that is permitted hereunder, and (G) customary provisions of joint venture agreements governing the assets and Equity Interests of the applicable joint venture or any of its Subsidiaries.

7.10 Use of Proceeds.

Use the proceeds of any Credit Extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

7.11 **Financial Covenants**.

Compliance with each of the following covenants shall be measured on a Pro Forma Basis:

(a) Consolidated EDITDA. Permit the Consolidated EBITDA, as of the end of any Measurement Period ending as of the last day of any fiscal quarter of the Parent, to be less than $50,000,000.

(b) Consolidated Leverage Ratio. Permit the Consolidated Leverage Ratio as of the end of any fiscal quarter of the Parent, to be greater than the ratio of 2.50 to 1.0.

7.12 Maximum Capital Expenditures.

Make any Capital Expenditure, except for Consolidated Capital Expenditures not exceeding $25,000,000 in the aggregate during each fiscal year; provided, however, that if the amount of Capital Expenditures permitted to be made in any fiscal year exceeds the amount actually made, such excess may be carried forward only to the next fiscal year, but not to succeeding fiscal years.

7.13 Amendments of Organization Documents; Fiscal Year; Legal Name, State of Formation; Form of Entity and Accounting Changes.

(a) amend any of its Organization Documents in any way that could reasonably be expected to materially adversely affect the interests of the Lenders or the Administrative Agent;

(b) change its fiscal year;

(c) with respect to any Loan Party, without providing ten (10) days prior written notice to the Administrative Agent (or such shorter period of time as agreed to by the Administrative Agent), change its name, state of formation, form of organization or principal place of business; or

(d) make any material change in accounting policies or reporting practices, except as required by GAAP.

7.14 Sale and Leaseback Transactions.

Enter into any Sale and Leaseback Transaction, except a Sale and Leaseback Transaction with respect to (a) any asset of a Foreign Subsidiary or (b) property of a Loan Party that is acquired after the Closing Date so long as such Sale and Leaseback Transaction is consummated within 180 days after the acquisition of such property, provided that, in each case, the applicable Borrower or Subsidiary shall receive at least fair market value (as determined by the Parent in good faith) for any property disposed of.

7.15 Securitization Transactions.

Enter into any Securitization Transaction.

7.16 Sanctions.

Directly or indirectly, use any Credit Extension or the proceeds of any Credit Extension, or lend, contribute or otherwise make available such Credit Extension or the proceeds of any Credit Extension to any Person, to fund any activities of or business with any Person, or in any Designated Jurisdiction, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as Lender, Arranger, Administrative Agent, L/C Issuer, Swingline Lender, or otherwise) of Sanctions.

7.17 Anti-Corruption Laws.

Directly or indirectly, use any Credit Extension or the proceeds of any Credit Extension for any purpose which would breach the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other similar anti-corruption legislation or anti-money laundering legislation in other jurisdictions.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

8.01 Events of Default.

Any of the following shall constitute an Event of Default:

(a) Non-Payment. Any Borrower or any other Loan Party fails to pay (i) when and as required to be paid herein and in the currency required hereunder, any amount of principal of any Loan or any L/C Obligation or deposit any funds as Cash Collateral in respect of L/C Obligations, or (ii) within three (3) days after the same becomes due, any interest on any Loan or on any L/C Obligation, or any fee due hereunder, or (iii) within five (5) days after the same becomes due, any other amount payable hereunder or under any other Loan Document; or

(b) Specific Covenants. (i) Any Loan Party fails to perform or observe any term, covenant or agreement contained in any of Section 6.03, 6.05(a) (as to any Loan Party), 6.10, 6.11, 6.19 or Article VII or (ii) any Loan Party fails to perform or observe any term, covenant or agreement contained in Section 6.01 or 6.02 and such failure continues for five (5) Business Days; or

(c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in Section 8.01(a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for thirty (30) days after the earlier to occur of (i) notice thereof from the Administrative Agent to any Loan Party or (ii) a Responsible Officer of any Loan Party becomes aware of such failure; or

(d) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Borrowers or any other Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be (i) incorrect or misleading when made or deemed made (with respect to any representation, warranty, certification or statement of fact that contains a materiality qualification) or (ii) incorrect or misleading in any material respect when made or deemed made (with respect to any representation, warranty, certification or statement of fact that does not contain a materiality qualification); or

(e) Cross-Default. (i) Any Loan Party or any Significant Subsidiary (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness or Guarantee (other than Indebtedness hereunder and Indebtedness under Swap Contracts) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than the Threshold Amount, or (B) fails to observe or perform any other agreement or condition relating to any such Indebtedness or Guarantee or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of such Guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or such Guarantee to become payable or cash collateral in respect thereof to be demanded; (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which a Loan Party or any Subsidiary thereof is the Defaulting Party (as defined in such Swap Contract) or (B) any Termination Event (as so defined) under such Swap Contract as to which a Loan Party or any Subsidiary thereof is an Affected Party (as so defined) and, in either event, the Swap Termination Value owed by such Loan Party or such Subsidiary as a result thereof is greater than the Threshold Amount; or (iii) there occurs any default or event of default under any Foreign Obligation Loan Document the result of which is to cause, or to permit the holder or holders of Indebtedness under such Foreign Obligation Loan Document to cause, with the giving of notice if required, such Indebtedness to be demanded or to become due prior to its stated maturity; or

(f) Insolvency Proceedings, Etc. Any Loan Party or any Significant Subsidiary institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty (60) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for sixty (60) calendar days, or an order for relief is entered in any such proceeding; or

(g) Inability to Pay Debts; Attachment. (i) Any Loan Party or any Significant Subsidiary becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within thirty (30) days after its issue or levy; or

(h) Judgments. There is entered against any Loan Party or any Significant Subsidiary (i) one or more final judgments or orders for the payment of money in an aggregate amount (as to all such judgments and orders) exceeding the Threshold Amount (to the extent not covered by independent third-party insurance provided by a financially sound and reputable insurer which has been notified of the potential claim and does not dispute coverage), or (ii) any one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of fifteen (15)

consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(i) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of any Loan Party under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of the Threshold Amount, or (ii) any Borrower or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of the Threshold Amount; or

(j) Invalidity of Loan Documents. Any material provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all Obligations arising under the Loan Documents, ceases to be in full force and effect; or any Loan Party or any Affiliate thereof contests in any manner the validity or enforceability of any provision of any Loan Document; or any Loan Party denies that it has any or further liability or obligation under any provision of any Loan Document, or purports to revoke, terminate or rescind any provision of any Loan Document; or

(k) Collateral Documents. Any Collateral Document after delivery thereof pursuant to the terms of the Loan Documents shall for any reason (other than pursuant to the terms thereof) cease to create a valid and perfected first priority Lien (subject to Permitted Liens) on any material portion of the Collateral purported to be covered thereby, or any Loan Party shall assert the invalidity of such Liens; or

(l) Change of Control. There occurs any Change of Control.

Without limiting the provisions of Article IX, if a Default or Event of Default shall have occurred under the Loan Documents, then such Default will continue to exist until it either is cured (to the extent specifically permitted) in accordance with the Loan Documents or is otherwise expressly waived by Administrative Agent (with the approval of requisite Appropriate Lenders (in their sole discretion) as determined in accordance with Section 11.01).

8.02 Remedies upon Event of Default.

If any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(a) declare the Revolving Commitment of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions to be terminated, whereupon such commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrowers;

(c) require that the applicable Borrowers Cash Collateralize the L/C Obligations (in an amount equal to the Minimum Collateral Amount with respect thereto); and

(d) exercise on behalf of itself, the Lenders and the L/C Issuer all rights and remedies available to it, the Lenders and the L/C Issuer under the Loan Documents or applicable Law or equity;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to any Borrower under the Bankruptcy Code of the United States, the obligation of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of the Borrowers to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

8.03 Application of Funds.

After the exercise of remedies provided for in Section 8.02 (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 8.02) or if at any time insufficient funds are received by and available to the Administrative Agent to pay fully all Secured Obligations then due hereunder, any amounts received on account of the Secured Obligations shall, subject to the provisions of Sections 2.14 and 2.15, be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Secured Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Secured Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit Fees) payable to the Lenders, the Foreign Obligation Providers and the L/C Issuer (including fees, charges and disbursements of counsel to the respective Lenders, the Foreign Obligation Providers and the L/C Issuer arising under the Loan Documents and the Foreign Obligation Loan Documents and amounts payable under Article III, ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Secured Obligations constituting accrued and unpaid Letter of Credit Fees and interest on the Loans, L/C Borrowings and other Secured Obligations arising under the Loan Documents and the Foreign Obligation Loan Documents, ratably among the Lenders, the Foreign Obligation Providers and the L/C Issuer in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Secured Obligations constituting unpaid principal of the Loans, L/C Borrowings and Secured Obligations then owing under the Foreign Obligation Loan Documents, the Secured Hedge Agreements and Secured Cash Management Agreements and to the Administrative Agent for the account of the L/C Issuer, to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit to the extent not otherwise Cash Collateralized by the Borrowers pursuant to Sections 2.03 and 2.14, and to the Foreign Obligation Providers, to cash collateralize undrawn contingent liability obligations owing to such Foreign Obligation Provider under the Foreign Obligation Loan Documents to the extent not otherwise cash collateralized by the applicable Foreign Subsidiary in each case ratably among the Administrative Agent, the Lenders, the Foreign Obligation Providers, the L/C Issuer, the Hedge Banks and the Cash Management Banks in proportion to the respective amounts described in this clause Fourth held by them; and

Last, the balance, if any, after all of the Secured Obligations have been indefeasibly paid in full, to the Borrowers or as otherwise required by Law;

provided, that payments received from or in respect of any Foreign Loan Party or any of its assets shall not be applied to any Secured Obligations of any Domestic Loan Party or any Domestic Subsidiary .

Subject to Sections 2.03(c) and 2.14, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fourth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Secured Obligations, if any, in the order (and subject to the limitations) set forth above. Excluded Swap Obligations with respect to any Loan Party shall not be paid with amounts received from such Loan Party or its assets, but appropriate adjustments shall be made with respect to payments from other Loan Parties to preserve the allocation to Secured Obligations otherwise set forth above in this Section.

Notwithstanding the foregoing, Secured Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements shall be excluded from the application described above if the Administrative Agent has not received a Secured Party Designation Notice, 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, and the Parent. Each Cash Management Bank or Hedge Bank not a party to this 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 the terms of Article IX for itself and its Affiliates as if a "Lender" party hereto.

ARTICLE IX

ADMINISTRATIVE AGENT

9.01 Appointment and Authority.

(a) Appointment. Each of the Lenders and the L/C Issuer hereby irrevocably appoints, designates and authorizes Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the L/C Issuer, and neither the Borrowers 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. In addition, to the extent required under the laws of any jurisdiction other than the United States of America, each of the Lenders and Secured Parties hereby grants to the Administrative Agent any required powers of attorney to execute any Collateral Document or other Loan Document governed by the laws of such jurisdiction on such Lender's or Secured Party's behalf.

(b) Collateral Agent. 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 Hedge Bank, a potential Foreign Obligation Provider and a potential Cash Management Bank) and the L/C Issuer hereby irrevocably appoints and authorizes the Administrative Agent to act as the agent of such Lender and the L/C Issuer 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 Secured 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 Collateral 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 XI (including Section 11.04(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.

9.02 Rights as a Lender.

The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of banking, trust, financial, advisory, underwriting or other business with any Loan Party 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 or to provide notice to or consent of the Lenders with respect thereto.

9.03 Exculpatory Provisions.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent and its Related Parties:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty or responsibility to disclose, and shall not be liable for the failure to disclose, any

information relating to any Loan Party or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

Neither the Administrative Agent nor any of its Related Parties shall be liable for any action taken or not taken by the Administrative Agent under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby or thereby (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary), or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 11.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given in writing to the Administrative Agent by the Borrowers, a Lender or the L/C Issuer.

Neither the Administrative Agent nor any of its Related Parties have any duty or obligation to any Lender or participant or any other Person to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Collateral Documents, (v) the value or the sufficiency of any Collateral, or (vi) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

9.04 Reliance by Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall be fully protected in relying and shall not incur any liability for relying upon, any notice, request, certificate, communication, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall be fully protected in relying and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the L/C Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or the L/C Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or the L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Loan Parties), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts. For purposes of determining compliance with the conditions specified in Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objections.

9.05 Delegation of Duties.

The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the

Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Revolving Facility as well as activities as Administrative Agent. 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 acted with gross negligence or willful misconduct in the selection of such sub-agents.

9.06 Resignation of Administrative Agent.

(a) Notice. The Administrative Agent may at any time give notice of its resignation to the Lenders, the L/C Issuer and the Borrowers. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrowers, to appoint a successor, 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 thirty (30) days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders and the L/C Issuer, appoint a successor Administrative Agent meeting the qualifications set forth above; provided that in no event shall any 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) Defaulting Lender. If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by applicable Law, by notice in writing to the Borrowers and such Person remove such Person as Administrative Agent and, in consultation with the Borrowers, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) Effect of Resignation or Removal. With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (i) 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 L/C Issuer under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (ii) 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 the L/C Issuer directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent (other than as provided in Section 3.01(g) 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).

The fees payable by the applicable Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the applicable Borrowers 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 and Section 11.04 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them (i) while the retiring or removed Administrative Agent was acting as Administrative Agent (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, without limitation, (A) acting as collateral agent or otherwise holding any collateral security on behalf of any of the Secured Parties and (B) in respect of any actions taken in connection with transferring the agency to any successor Administrative Agent.

(d) L/C Issuer and Swingline Lender. Any resignation or removal by Bank of America as Administrative Agent pursuant to this Section shall also constitute its resignation as L/C Issuer and Swingline Lender. If Bank of America resigns as an L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto, including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c). If Bank of America resigns as Swingline Lender, it shall retain all the rights of the Swingline Lender provided for hereunder with respect to Swingline Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swingline Loans pursuant to Section 2.04(c). Upon the appointment by the Borrowers of a successor L/C Issuer or Swingline Lender hereunder (which successor shall in all cases be a Lender other than a Defaulting Lender), (i) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swingline Lender, as applicable, (ii) the retiring L/C Issuer and Swingline Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (iii) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

9.07 Non-Reliance on Administrative Agent and Other Lenders.

Each Lender and the L/C Issuer acknowledges that it has, independently and without reliance upon 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 the L/C Issuer also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

9.08 No Other Duties, Etc.

Anything herein to the contrary notwithstanding, none of the titles 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, the Arranger, a Lender or the L/C Issuer hereunder.

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 L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrowers) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Secured Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuer and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuer and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuer and the Administrative Agent under Sections 2.03(h) and (i), 2.09, 2.10(b) and 11.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the L/C Issuer to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuer, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.09, 2.10(b) and 11.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or the L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Secured Obligations or the rights of any Lender or the L/C Issuer to authorize the Administrative Agent to vote in respect of the claim of any Lender or the L/C Issuer 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 Secured Obligations (including accepting some or all of the Collateral in satisfaction of some or all of the Secured Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code 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 Secured Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid on a ratable basis (with Secured Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that 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 Equity Interests 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 Equity Interests 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 (a) through (i) of Section 11.01 of this Agreement, (iii) the Administrative Agent shall be authorized to assign the relevant Secured Obligations to any such acquisition vehicle pro rata by the Lenders, as a result of which each of the Lenders shall be deemed to have received a pro rata portion of any Equity Interests and/or debt instruments issued by such an acquisition vehicle on account of the assignment of the Secured Obligations to be credit bid, all without the need for any Secured Party or acquisition vehicle to take any further action, and (iv) to the extent that Secured Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Secured Obligations assigned to the acquisition vehicle exceeds the amount of debt credit bid by the acquisition vehicle or otherwise), such Secured Obligations shall automatically be reassigned to the Lenders pro rata and the Equity Interests and/or debt instruments issued by any acquisition vehicle on account of the Secured 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.

9.10 Collateral and Guaranty Matters.

Each of the Lenders (including in its capacities as a potential Cash Management Bank, potential Foreign Obligation Provider and a potential Hedge Bank) and the L/C Issuer irrevocably authorize the Administrative Agent to:

(a) release any Lien on any property granted to or held by the Administrative Agent under any Loan Document (i) upon the occurrence of the Facility Termination Date, (ii) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted hereunder or under any other Loan Document, (iii) that is owned by a Guarantor that is released from its Guaranty pursuant to Section 9.10(c) or (iv) if approved, authorized or ratified in writing by the Required Lenders in accordance with Section 11.01; and in connection with any transaction expressly contemplated under this Section 9.10(a) the Administrative Agent agrees that it shall provide such a release;

(b) subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 7.01(i); and

(c) release any Guarantor from its obligations under the Guaranty if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents; and in connection with such a transaction the Administrative Agent agrees that it shall provide such a release.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Guaranty pursuant to this Section 9.10. In each case as specified in this Section 9.10, the Administrative Agent will, at the applicable Borrowers' expense, execute and deliver to the applicable Loan Party such documents and take such other actions as such Loan Party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Collateral Documents or to subordinate its interest in such item, or to release such Guarantor from its obligations under the Guaranty, in each case in accordance with the terms of the Loan Documents and this Section 9.10.

The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

9.11 Secured Cash Management Agreements and Secured Hedge Agreements.

Except as otherwise expressly set forth herein, no Cash Management Bank, Foreign Obligation Provider or Hedge Bank that obtains the benefit of the provisions of Section 8.03, the Guaranty or any Collateral by virtue of the provisions hereof or any Collateral Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) (or to notice of or to consent to any amendment, waiver or modification of the provisions hereof or of the Guaranty or any Collateral Document) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article IX to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Secured Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements except to the extent expressly provided herein and unless the Administrative Agent has received a Secured Party Designation Notice with respect to such Secured Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank, Foreign Obligation Provider or Hedge Bank, as the case may be, and the Parent. The Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Secured Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements in the case of the Facility Termination Date.

9.12 ERISA Lender Representation.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrowers 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 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Revolving Loans, the Letters of Credit, the Revolving 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 Revolving Loans, the Letters of Credit, the Revolving 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 Revolving Loans, the Letters of Credit, the Revolving Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Revolving Loans, the Letters of Credit, the Revolving 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 Revolving Loans, the Letters of Credit, the Revolving 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) such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrowers or any other Loan Party, that:

(i) none of the Administrative Agent, or the Arranger or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related to hereto or thereto),

(ii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Revolving Loans, the Letters of Credit, the Revolving Commitments and this Agreement is independent (within the meaning of 29 CFR § 2510.3-21) and is a bank, an insurance carrier, an investment adviser, a broker-dealer or other person that holds, or has under management or control, total assets of at least $50 million, in each case as described in 29 CFR § 2510.3-21(c)(1)(i)(A)-(E),

(iii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Revolving Loans, the Letters of Credit, the Revolving Commitments and this Agreement is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies (including in respect of the Obligations),

(iv) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Revolving Loans, the Letters of Credit, the Revolving Commitments and this Agreement is a fiduciary under ERISA or the Code, or both, with respect to the Revolving Loans, the Letters of Credit, the Revolving Commitments and this Agreement and is responsible for exercising independent judgment in evaluating the transactions hereunder, and

(v) no fee or other compensation is being paid directly to the Administrative Agent or the Arranger or any their respective Affiliates for investment advice (as opposed to other services) in connection with the Revolving Loans, the Letters of Credit, the Revolving Commitments or this Agreement.

(c) The Administrative Agent and the Arranger hereby inform the Lenders that each such Person is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Revolving Loans, the Letters of Credit, the Revolving Commitments and this Agreement, (ii) may recognize a gain if it extended the Revolving Loans, the Letters of Credit or the Revolving Commitments for an amount less than the amount being paid for an interest in the Revolving Loans, the Letters of Credit or the Revolving Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

ARTICLE X

CONTINUING GUARANTY

10.01 Guaranty.

(a) Guaranty of Domestic Guarantors.

Each Domestic Guarantor hereby absolutely and unconditionally, jointly and severally guarantees, as primary obligor and as a guaranty of payment and performance and not merely as a guaranty of collection, prompt payment when due, whether at stated maturity, by required prepayment, upon acceleration, demand or otherwise, and at all times thereafter, of any and all Secured Obligations (for each Domestic Guarantor, subject to the proviso in this sentence, its "Guaranteed Obligations"); provided that (a) the Guaranteed Obligations of a Domestic Guarantor shall exclude any Excluded Swap Obligations with respect to such Domestic Guarantor and (b) the liability of each Domestic Guarantor individually with respect to this Guaranty shall be limited to an aggregate amount equal to the largest amount that would not render its obligations hereunder subject to avoidance under Section 548 of the Bankruptcy Code of the United States or any comparable provisions of any applicable state law or other applicable law. The Administrative Agent's books and records showing the amount of the Obligations shall be admissible in evidence in any action or proceeding, and shall be binding upon each Domestic Guarantor, and conclusive for the purpose of establishing the amount of the Secured Obligations. This Guaranty shall not be affected by the genuineness, validity, regularity or enforceability of the Secured Obligations or any instrument or agreement evidencing any Secured Obligations, or by the existence, validity, enforceability, perfection, non-perfection or extent of any collateral therefor, or by any fact or circumstance relating to the Secured Obligations which might otherwise constitute a defense to the obligations of the Domestic Guarantor, or any of them, under this Guaranty, and each Domestic Guarantor hereby irrevocably waives any defenses it may now have or hereafter acquire in any way relating to any or all of the foregoing.

(b) Guaranty of Foreign Guarantors.

Each Foreign Guarantor hereby absolutely and unconditionally, jointly and severally guarantees, as primary obligor and as a guaranty of payment and performance and not merely as a guaranty of collection, prompt payment when due, whether at stated maturity, by required prepayment, upon acceleration, demand or otherwise, and at all times thereafter, of any and all Secured Obligations of the Foreign Borrowers and Foreign Subsidiaries (for each Foreign Guarantor subject to the proviso in this sentence, its "Guaranteed Obligations"); provided that (i) the Guaranteed Obligations of a Foreign Guarantor shall exclude any Excluded Swap Obligations with respect to such Foreign Guarantor, (ii) the liability of each Foreign Guarantor individually with respect to this Guaranty shall be limited to an aggregate amount equal to the largest amount that would not render its obligations hereunder subject to avoidance under Section 548 of the Bankruptcy Code of the United States or any comparable provisions of any applicable state law or other applicable law and (iii) the Guaranteed Obligations of a Foreign Guarantor shall exclude any Obligations or Secured Obligations of any Domestic Borrower, any Domestic Guarantor or any other Domestic Subsidiary. The Administrative Agent's books and records showing the amount of the Obligations of the Foreign Borrowers and Foreign Subsidiaries shall be admissible in evidence in any action or proceeding, and shall be binding upon each Foreign Guarantor, and conclusive for the purpose of establishing the amount of the Secured Obligations of the Foreign Borrowers and Foreign Subsidiaries. This Guaranty shall not be affected by the genuineness, validity, regularity or enforceability of the Secured Obligations of the Foreign Borrowers and the Foreign Subsidiaries or any instrument or agreement evidencing any Secured Obligations of the Foreign Borrowers or the Foreign Subsidiaries, or by the existence, validity, enforceability, perfection, non-perfection or extent of any collateral therefor, or by any fact or circumstance relating to the Secured Obligations of the Foreign Borrowers or the Foreign Subsidiaries which might otherwise constitute a defense to the obligations of the Foreign Guarantors, or any of them, under this Guaranty, and each Foreign Guarantor hereby irrevocably waives any defenses it may now have or hereafter acquire in any way relating to any or all of the foregoing.

Notwithstanding anything contained to the contrary in this Article X or in any Loan Document, (A) no Foreign Borrower shall be obligated with respect to any Secured Obligations of the Domestic Borrowers or of any Domestic Subsidiary, and (B) no Foreign Borrower shall be obligated as a Guarantor under Article X with respect to the Secured Obligations of the Domestic Borrowers or any Domestic Subsidiary.

10.02 Rights of Lenders.

Each Guarantor consents and agrees that the Secured Parties may, at any time and from time to time, without notice or demand, and without affecting the enforceability or continuing effectiveness hereof: (a) amend, extend, renew, compromise, discharge, accelerate or otherwise change the time for payment or the terms of the Secured Obligations or any part thereof; (b) take, hold, exchange, enforce, waive, release, fail to perfect, sell, or otherwise dispose of any security for the payment of this Guaranty or any Secured Obligations; (c) apply such security and direct the order or manner of sale thereof as the Administrative Agent, the L/C Issuer and the Lenders in their sole discretion may determine; and (d) release or substitute one or more of any endorsers or other guarantors of any of the Secured Obligations. Without limiting the generality of the foregoing, each Guarantor consents to the taking of, or failure to take, any action which might in any manner or to any extent vary the risks of such Guarantor under this Guaranty or which, but for this provision, might operate as a discharge of such Guarantor.

10.03 Certain Waivers.

Each Guarantor waives (a) any defense arising by reason of any disability or other defense of any Borrower or any other guarantor, or the cessation from any cause whatsoever (including any act or omission of any Secured Party) of the liability of any Borrower or any other Loan Party; (b) any defense based on any claim that such Guarantor's obligations exceed or are more burdensome than those of any Borrower or any other Loan Party; (c) the benefit of any statute of limitations affecting any Guarantor's liability

hereunder; (d) any right to proceed against any Borrower or any other Loan Party, proceed against or exhaust any security for the applicable Secured Obligations, or pursue any other remedy in the power of any Secured Party whatsoever; (e) any benefit of and any right to participate in any security now or hereafter held by any Secured Party; and (f) to the fullest extent permitted by law, any and all other defenses or benefits that may be derived from or afforded by applicable Law limiting the liability of or exonerating guarantors or sureties. Each Guarantor expressly waives all setoffs and counterclaims and all presentments, demands for payment or performance, notices of nonpayment or nonperformance, protests, notices of protest, notices of dishonor and all other notices or demands of any kind or nature whatsoever with respect to the applicable Secured Obligations, and all notices of acceptance of this Guaranty or of the existence, creation or incurrence of new or additional Secured Obligations.

10.04 Obligations Independent.

The obligations of each Guarantor hereunder are those of primary obligor, and not merely as surety, and are independent of the Secured Obligations and the obligations of any other guarantor, and a separate action may be brought against each Guarantor to enforce this Guaranty whether or not any Borrower or any other person or entity is joined as a party.

10.05 Subrogation.

No Guarantor shall exercise any right of subrogation, contribution, indemnity, reimbursement or similar rights with respect to any payments it makes under this Guaranty until the Facility Termination Date has occurred. If any amounts are paid to a Guarantor in violation of the foregoing limitation, then such amounts shall be held in trust for the benefit of the Secured Parties and shall forthwith be paid to the Secured Parties to reduce the amount of the Secured Obligations, whether matured or unmatured.

10.06 Termination; Reinstatement.

This Guaranty is a continuing and irrevocable guaranty of all Secured Obligations, as applicable, now or hereafter existing and shall remain in full force and effect until the Facility Termination Date. Notwithstanding the foregoing, this Guaranty shall continue in full force and effect or be revived, as the case may be, if any payment by or on behalf of any Borrower or a Guarantor is made, or any of the Secured Parties exercises its right of setoff, in respect of the Secured Obligations and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by any of the Secured Parties in their discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Laws or otherwise, all as if such payment had not been made or such setoff had not occurred and whether or not the Secured Parties are in possession of or have released this Guaranty and regardless of any prior revocation, rescission, termination or reduction. The obligations of each Guarantor under this paragraph shall survive termination of this Guaranty.

10.07 Stay of Acceleration.

If acceleration of the time for payment of any of the Secured Obligations is stayed, in connection with any case commenced by or against a Guarantor or any Borrower under any Debtor Relief Laws, or otherwise, all such amounts shall nonetheless be payable by each Guarantor, jointly and severally, immediately upon demand by the Secured Parties.

10.08 Condition of Borrower.

Each Guarantor acknowledges and agrees that it has the sole responsibility for, and has adequate means of, obtaining from each Borrower and any other guarantor such information concerning the financial

condition, business and operations of the Borrowers and any such other guarantor as such Guarantor requires, and that none of the Secured Parties has any duty, and such Guarantor is not relying on the Secured Parties at any time, to disclose to it any information relating to the business, operations or financial condition of the Borrowers or any other guarantor (each Guarantor waiving any duty on the part of the Secured Parties to disclose such information and any defense relating to the failure to provide the same).

10.09 Appointment of the Parent as Agent for All Loan Parties.

Each Borrower and each other Loan Party hereby appoints the Parent to act as its agent and representative for all purposes of this Agreement, the other Loan Documents and all other documents and electronic platforms entered into in connection herewith and agrees that (a) the Parent may execute such documents and provide such authorizations on behalf of such Loan Parties as the Parent deems appropriate in its sole discretion and each Loan Party shall be obligated by all of the terms of any such document and/or authorization executed on its behalf, (b) any notice or communication delivered by the Administrative Agent, L/C Issuer or a Lender to the Parent shall be deemed delivered to each Loan Party and (c) the Administrative Agent, L/C Issuer or the Lenders may accept, and be permitted to rely on, any document, authorization, instrument or agreement executed by the Parent on behalf of each of the Loan Parties.

10.10 Right of Contribution.

The Guarantors agree among themselves that, in connection with payments made hereunder, each Guarantor shall have contribution rights against the other Guarantors as permitted under applicable Law.

10.11 Keepwell.

Each Loan Party that is a Qualified ECP Guarantor at the time the Guaranty or the grant of a Lien under the Loan Documents, in each case, by any Specified Loan Party becomes effective with respect to any Swap Obligation, hereby jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide such funds or other support to each Specified Loan Party with respect to such Swap Obligation as may be needed by such Specified Loan Party from time to time to honor all of its obligations under the Loan Documents in respect of such Swap Obligation (but, in each case, only up to the maximum amount of such liability that can be hereby incurred without rendering such Qualified ECP Guarantor's obligations and undertakings under this Article X voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations and undertakings of each Qualified ECP Guarantor under this Section shall remain in full force and effect until the Secured Obligations have been indefeasibly paid and performed in full. Each Loan Party intends this Section to constitute, and this Section shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support, or other agreement" for the benefit of, each Specified Loan Party for all purposes of the Commodity Exchange Act.

ARTICLE XI

MISCELLANEOUS

11.01 Amendments, Etc.

No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrowers or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders (or by the Administrative Agent with the consent of the Required Lenders) and the Borrowers or the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(a) waive any condition set forth in Section 4.01 (other than Section 4.01(l) and (m)), without the written consent of each Lender except that, in the sole discretion of the Administrative Agent, only a waiver by the Administrative Agent shall be required with respect to immaterial matters or items specified in Section 4.01(e)(iv) or (f) and other items noted in the post-closing letter made available to the Lenders with respect to which the Loan Parties have given assurances satisfactory to the Administrative Agent that such items shall be delivered promptly following the Closing Date;

(b) extend or increase the Revolving Commitment of any Lender (or reinstate any Revolving Commitment terminated pursuant to Section 8.02) without the written consent of such Lender (it being understood and agreed that a waiver of any condition precedent in Section 4.02 or of any Default or a mandatory reduction in the Revolving Commitments is not considered an extension or increase in the Revolving Commitment of any Lender);

(c) postpone any date fixed by this Agreement or any other Loan Document for any payment (excluding mandatory prepayments) of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under such other Loan Document without the written consent of each Lender entitled to such payment;

(d) reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to clause (iv) of the proviso to this Section 11.01) any fees or other amounts payable hereunder or under any other Loan Document**,** without the written consent of each Lender entitled to such amount; provided, however, that only the consent of the Required Lenders shall be necessary (i) to amend the definition of "Default Rate" or to waive any obligation of any Borrower to pay interest or Letter of Credit Fees at the Default Rate or (ii) to amend any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or L/C Borrowing or to reduce any fee payable hereunder;

(e) change (i) Section 8.03 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender directly and adversely affected thereby or (ii) Section 2.12(f) in a manner that would alter the pro rata application required thereby without the written consent of each Lender directly and adversely affected thereby;

(f) change any provision of this Section 11.01 or the definition of "Required Lenders" or any other provision of any Loan Document specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or thereunder or make any determination or grant any consent hereunder, without the written consent of each Lender;

(g) release all or substantially all of the Collateral in any transaction or series of related transactions, without the written consent of each Lender;

(h) release all or substantially all of the value of the Guaranty, without the written consent of each Lender, except to the extent the release of any Subsidiary from the Guaranty is permitted pursuant to Section 9.10 (in which case such release may be made by the Administrative Agent acting alone);

(i) release any Borrower or permit any Borrower to assign or transfer any of its rights or obligations under this Agreement or the other Loan Documents without the consent of each Lender; or

(j) amend Section 1.09 or the definition of "Alternative Currency" without the written consent of each Lender directly affected thereby.

and provided, further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the L/C Issuer in addition to the Lenders required above, affect the rights or duties of the L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Swingline Lender in addition to the Lenders required above, affect the rights or duties of the Swingline Lender under this Agreement; (iii) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; and (iv) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto. Notwithstanding anything to the contrary herein, (A) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender, may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (1) the Revolving Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (2) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender, that by its terms affects any Defaulting Lender disproportionately adversely relative to other affected Lenders, shall require the consent of such Defaulting Lender; (B) each Lender is entitled to vote as such Lender sees fit on any bankruptcy reorganization plan that affects the Loans, and each Lender acknowledges that the provisions of Section 1126(c) of the Bankruptcy Code of the United States supersedes the unanimous consent provisions set forth herein and (C) the Required Lenders shall determine whether or not to allow a Loan Party to use cash collateral in the context of a bankruptcy or insolvency proceeding and such determination shall be binding on all of the Lenders.

Notwithstanding anything to the contrary herein the Administrative Agent may, with the prior written consent of the Borrowers only, (a) amend, modify or supplement this Agreement or any of the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency and (b) amend, modify or supplement this Agreement or any of the other Loan Documents to reflect the Movado SA Equity Transfer and the joinders and pledges required by the Movado SA Equity Transfer Conditions.

Notwithstanding any provision herein to the contrary, this Agreement may be amended with the written consent of the Administrative Agent, the L/C Issuer, the Borrowers and the Lenders affected thereby to amend the definition of "Alternative Currency" or "Eurocurrency Rate" solely to add additional currency options and the applicable interest rate with respect thereto, in each case solely to the extent permitted pursuant to Section 1.09.

11.02 Notices; Effectiveness; Electronic Communications.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax transmission or e-mail transmission as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Borrowers or any other Loan Party, the Administrative Agent, the L/C Issuer or the Swingline Lender, to the address, fax number, e-mail address or telephone number specified for such Person on Schedule 1.01(a); provided that, except as may be expressly set forth herein: (A) any requirement under this Agreement to provide notice to the Borrowers shall be deemed satisfied by providing notice to the Parent at the address set

forth on Schedule 1.01(a) and (B) any requirement that the Borrowers provide notice to any other party shall be deemed satisfied if the Parent provides such notice; and

(ii) if to any other Lender, to the address, fax number, e-mail address or telephone number specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Borrowers).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by fax transmission shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Administrative Agent, the Lenders, the Swingline Lender and the L/C Issuer hereunder may be delivered or furnished by electronic communication (including e-mail, FPML messaging and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices to any Lender, the Swingline Lender or the L/C Issuer pursuant to Article II if such Lender, Swingline Lender or the L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, the Swingline Lender, the L/C Issuer or the Borrowers may each, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement) and (ii) notices and other communications posted to an Internet or intranet website shall be deemed received by the intended recipient upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail address or other written acknowledgement) indicating that such notice or communication is available and identifying the website address therefor; provided that for both clauses (i) and (ii), if such notice or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(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 Borrowers, any Lender, the L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrowers', 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, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Part; provided, however, that in no event shall any Agent Party have any liability to the Borrowers, any Lender or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) Change of Address, Etc. Each of the Borrowers, the Administrative Agent, the L/C Issuer and the Swingline Lender may change its address, fax number or telephone number or e-mail address for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, fax number or telephone number or e-mail address for notices and other communications hereunder by notice to the Borrowers, the Administrative Agent, the L/C Issuer and the Swingline Lender. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, fax number and e-mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one (1) individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States federal and state securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrowers or their securities for purposes of United States federal or state securities laws.

(e) Reliance by Administrative Agent, L/C Issuer and Lenders. The Administrative Agent, the L/C Issuer and the Lenders shall be entitled to rely and act upon any notices (including, without limitation, telephonic or electronic notices, Loan Notices, Letter of Credit Applications, Notice of Loan Prepayment and Swingline Loan Notices) purportedly given by or on behalf of any Loan Party 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, the L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of a Loan Party. 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.

11.03 No Waiver; Cumulative Remedies; Enforcement.

No failure by any Lender, the L/C Issuer or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or under any other Loan Document preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 8.02 for the benefit of all the Lenders and the L/C Issuer; 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) the L/C Issuer or the Swingline Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as L/C Issuer or Swingline Lender, as the case may be) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 11.08 (subject to the terms of Section 2.13), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 8.02 and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.13, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

11.04 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Loan Parties shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and the Arranger (including the reasonable fees, charges and disbursements counsel, which shall be limited to one firm of primary counsel for all such parties and no more than one local counsel in each jurisdiction where Collateral is located and in the jurisdiction in which any Foreign Borrower or any other Foreign Guarantor is organized), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery 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 out-of-pocket expenses incurred by the L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable out-of-pocket costs and expenses incurred by the Administrative Agent, any Lender or the L/C Issuer (including the reasonable fees, charges and disbursements of one firm of primary counsel for all such parties and, if reasonably necessary, no more than one local counsel in any relevant jurisdiction and, in the event of any conflict of interest, one additional primary counsel and one additional counsel in each relevant jurisdiction to each group of affected Lenders similarly situated, taken as a whole), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with Loans made or Letters of Credit issued hereunder, including all such reasonable out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Loan Parties. The Loan Parties shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and the L/C Issuer, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the settlement costs and reasonable fees, charges and disbursements of one firm of external counsel and one firm of local counsel in each appropriate jurisdiction for all Indemnitees taken as a whole, and solely in the case of a conflict of interest, one additional primary counsel and one additional counsel in each relevant jurisdiction to each group of affected

Indemnitees similarly situated, taken as a whole), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including any Borrower or any other Loan Party) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents (including in respect of any matters addressed in Section 3.01), (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual presence or release of Hazardous Materials on or from any property owned or operated by a Loan Party or any of its Subsidiaries, or any Environmental Liability related in any way to a Loan Party or any of its Subsidiaries, or (iv) any actual claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by a Borrower or any other Loan Party or any of such Borrower's or such Loan Party's directors, shareholders or creditors, and regardless of whether any Indemnitee is a party thereto**, IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF THE INDEMNITEE**; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or arose out of any claim or (y) arise from any proceeding that does not involve an action or omission by any Loan Party or any of their Affiliates that is brought by an Indemnitee against another Indemnitee (other than any claims against any Indemnitee in its capacity or in fulfilling its role as an administrative agent, collateral agent, arranger or any similar role under the Revolving Facility); and provided, further, that the Foreign Loan Parties shall not be liable for any such indemnification to the extent such losses, claims, damages, liabilities and related expenses arise out of, are in connection with, or result from, acts or omissions of, Loans or Letters of Credit issued to, or the obligations under the Loan Documents of, any Domestic Loan Party or any Domestic Subsidiary. Without limiting the provisions of Section 3.01(c), this Section 11.04(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Loan Parties for any reason fail to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), the L/C Issuer, the Swingline Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the L/C Issuer, the Swingline Lender or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender), such payment to be made severally among them based on such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought), provided, further that, the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), the L/C Issuer or the Swingline Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), the L/C Issuer or the Swingline Lender in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.12(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Law, no Loan Party shall assert, and each Loan Party hereby waives, and acknowledges that no other Person shall have, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall be payable not later than ten (10) Business Days after demand therefor.

(f) Survival. The agreements in this Section and the indemnity provisions of Section 11.02(e) shall survive the resignation of the Administrative Agent, the L/C Issuer and the Swingline Lender, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

11.05 Payments Set Aside.

To the extent that any payment by or on behalf of any Borrower is made to the Administrative Agent, the L/C Issuer or any Lender, or the Administrative Agent, the L/C Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, the L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and the L/C Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders and the L/C Issuer under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

11.06 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement and the other Loan Documents shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns permitted hereby, except neither the Borrowers nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the

parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the L/C Issuer and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign (or assign and transfer by assumption of contract (*Vertragsübernahme*)) to one or more assignees all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including all or a portion of its Revolving Commitment(s) and the Loans (including for purposes of this subsection (b), participations in L/C Obligations and in Swingline Loans) at the time owing to it); provided that any such assignment, other than an assignment by the Agent pursuant to Section 9.09(iii), shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Revolving Commitment and/or the Loans at the time owing to it or contemporaneous assignments to related Approved Funds (determined after giving effect to such Assignments) that equal at least the amount specified in paragraph (b)(i)(B) of this Section in the aggregate, or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Revolving Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Revolving Commitments are not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than $5,000,000, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrowers otherwise consent (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement and the other Loan Documents with respect to the Loans and/or the Revolving Commitment assigned, except that this clause (ii) shall not apply to the Swingline Lender's rights and obligations in respect of Swingline Loans.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrowers (such consent not to be unreasonably withheld or delayed and such consent shall be deemed to have been given ten Business Days after the Lender has requested it unless expressly refused within that time) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund (if such entity is a Swiss Qualifying Bank); *provided*, that (x) it shall not be deemed unreasonable for the Borrowers to withhold their consent if the assignment or assignment and transfer by assumption

of contract would result in a violation of the Swiss 10 Non-Bank Rule and (y) the Borrowers may not withhold their consent solely by reason of the Swiss 10 Non-Bank Rule if after giving effect to the proposed assignment or and assignment and transfer by assumption of contract (*Vertragsübernahme*) there will be 10 or less Swiss Non-Qualifying Banks in aggregate under this Agreement;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of any Revolving Commitment if such assignment is to a Person that is not a Lender with a Revolving Commitment, an Affiliate of such Lender or an Approved Fund with respect to such Lender; and

(C) the consent of the L/C Issuer and the Swingline Lender shall be required for any assignment in respect of the Revolving Facility.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of $3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made (A) to any Borrower or any of the Borrowers' Affiliates or Subsidiaries, (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), or (C) to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural person).

(vi) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrowers and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (A) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, the L/C Issuer or any Lender hereunder (and interest accrued thereon) and (B) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swingline Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning

Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05 and 11.04 with respect to facts and circumstances occurring prior to the effective date of such assignment); provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, each Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrowers (and such agency being solely for tax purposes), shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Revolving Commitments of, and principal amounts (and stated interest) of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, absent manifest error, and the Borrowers, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrowers and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrowers or the Administrative Agent, sell participations to any Person (other than a natural Person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural Person, a Defaulting Lender or any Borrower or any of the Borrowers' Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Revolving Commitment and/or the Loans (including such Lender's participations in L/C Obligations and/or Swingline Loans) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged; (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations; (iii) the Borrowers, the Administrative Agent, the Lenders and the L/C Issuer shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement; (iv) the relationship between the Lender and that other person is that of a debtor and creditor (including in the bankruptcy or similar event of the Lender or a Loan Party; (v) the Participant will have no proprietary interest in the benefit of this Agreement or in any monies received by the Lender under or in relation to this Agreement; and (vi) the Participant will under no circumstances (other than permitted transfers and assignments under paragraph (b)(iii) of this Section 11.06) be subrogated to, or substituted in respect of, the Lender's claims under this Agreement or otherwise have any contractual relationship with, or rights against, the Borrowers under or in relation to this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 11.04(c) without regard to the existence of any participations. Without prejudice to any other provisions of this this Section 11.06, the restrictions set out in paragraphs (iv), (v) and (vi) above shall cease to apply if the Borrowers (acting reasonably) are satisfied that exposure transfers (which do not meet the conditions set out in paragraphs (iv), (v) and (vi) above) do not result in any negative Swiss Withholding Tax consequences (in each case as a result of (1) receipt a tax ruling of the Swiss Federal Tax Administration and/or (2) a material change of the Swiss Non-Bank-Rules).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 11.01 that affects such Participant. The Borrowers agree that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 (subject to the requirements and limitations therein, including the requirements under Section 3.01(e) (it being understood that the documentation required under Section 3.01(e) shall be delivered to the Lender who sells the participation)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 3.06 and 11.13 as if it were an assignee under paragraph (b) of this Section and (B) shall not be entitled to receive any greater payment under Sections 3.01 or 3.04, with respect to any participation, than the Lender from whom it acquired the applicable participation would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrowers' request and expense, to use reasonable efforts to cooperate with the Borrowers to effectuate the provisions of Section 3.06 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.13 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note or Notes, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Resignation as L/C Issuer or Swingline Lender after Assignment. Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Revolving Commitment and Revolving Loans pursuant to subsection (b) above, Bank of America may, (i) upon thirty (30) days' notice to the Borrowers and the Lenders, resign as L/C Issuer and/or (ii) upon thirty (30) days' notice to the Borrowers, resign as Swingline Lender. In the event of any such resignation as L/C Issuer or Swingline Lender, the Borrowers shall be entitled to appoint from among the Lenders a successor L/C Issuer or Swingline Lender hereunder; provided, however, that no failure by the Borrowers to appoint any such successor shall affect the resignation of Bank of America as L/C Issuer or Swingline Lender, as the case may be. If Bank of America resigns as

L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c)). If Bank of America resigns as Swingline Lender, it shall retain all the rights of the Swingline Lender provided for hereunder with respect to Swingline Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swingline Loans pursuant to Section 2.04(c). Upon the appointment of a successor L/C Issuer and/or Swingline Lender, (A) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swingline Lender, as the case may be, and (B) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

11.07 Treatment of Certain Information; Confidentiality.

(a) Treatment of Certain Information. Each of the Administrative Agent, the Lenders and the L/C Issuer agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (i) to its Affiliates and to its Related Parties (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), (ii) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (iii) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process, (iv) to any other party hereto, (v) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (vi) subject to an agreement containing provisions substantially the same as those of this Section, to (A) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement or any Eligible Assignee invited to be a Lender pursuant to Section 2.16(c) or (B) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrowers and their obligations, this Agreement or payments hereunder, (vii) on a confidential basis to (A) any rating agency in connection with rating the Borrowers or their Subsidiaries or the Revolving Facility, (B) the provider of any Platform or other electronic delivery service used by the Administrative Agent, the L/C Issuer and/or the Swingline Lender to deliver Borrower Materials or notices to the Lenders or (C) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the Revolving Facility, or (viii) with the consent of the Borrowers or to the extent such Information (1) becomes publicly available other than as a result of a breach of this Section or (2) becomes available to the Administrative Agent, any Lender, the L/C Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrowers. For purposes of this Section, "Information" means all information received from the Borrowers or any Subsidiary relating to any Borrower or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or the L/C Issuer on a nonconfidential basis prior to disclosure by the Borrowers or any Subsidiary, provided that, in the case of information received from the Borrowers or any Subsidiary after the date hereof, 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 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. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Agents and the Lenders in connection with the administration of this Agreement, the other Loan Documents and the Revolving Commitments.

(b) Non-Public Information. Each of the Administrative Agent, the Lenders and the L/C Issuer acknowledges that (i) the Information may include material non-public information concerning a Loan Party or a Subsidiary, as the case may be, (ii) it has developed compliance procedures regarding the use of material non-public information and (iii) it will handle such material non-public information in accordance with applicable Law, including United States federal and state securities Laws.

(c) Press Releases. The Loan Parties agree that they and their Affiliates will not in the future issue any press releases or other public disclosure using the name of the Administrative Agent or any Lender or their respective Affiliates or referring to this Agreement or any of the Loan Documents without the prior written consent of the Administrative Agent, unless (and only to the extent that) the Loan Parties or such Affiliate is required to do so under law and then, in any event the Loan Parties or such Affiliate will consult with such Person before issuing such press release or other public disclosure.

(d) Customary Advertising Material. The Loan Parties consent to the publication by the Administrative Agent or any Lender of customary advertising material relating to the transactions contemplated hereby using the name, product photographs, logo or trademark of the Loan Parties.

11.08 Right of Setoff.

If an Event of Default shall have occurred and be continuing, each Lender, the L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, after obtaining the prior written consent of the Administrative Agent (such consent not to be unreasonably delayed or withheld), to the fullest extent permitted by applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, the L/C Issuer or any such Affiliate to or for the credit or the account of any Borrower or any other Loan Party against any and all of the Obligations of each Borrower or such Loan Party now or hereafter owing to such Lender or the L/C Issuer or their respective Affiliates, irrespective of whether or not such Lender, the L/C Issuer or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such Obligations of each Borrower or such Loan Party may be contingent or unmatured, secured or unsecured, or are owed to a branch, office or Affiliate of such Lender or the L/C Issuer different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (a) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.15 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the L/C Issuer and the Lenders, and (b) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Secured Obligations owing to such Defaulting Lender as to which it exercised such right of setoff; and, provided, further, that no deposits or other assets of any Foreign Loan Party shall be set off against or applied to any Obligations of any Domestic Loan Party or any Domestic Subsidiary. The rights of each Lender, the L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the L/C Issuer or their respective Affiliates may have. Each Lender and the L/C Issuer agrees to notify the Parent and the Administrative Agent

promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

11.09 Interest Rate Limitation.

Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the applicable Borrowers. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

11.10 Counterparts; Integration; Effectiveness.

This Agreement and each of the other Loan Documents may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent or the L/C Issuer, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement or any other Loan Document, or any certificate delivered thereunder, by fax transmission or e-mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement or such other Loan Document or certificate. Without limiting the foregoing, to the extent a manually executed counterpart is not specifically required to be delivered under the terms of any Loan Document, upon the request of any party, such fax transmission or e-mail transmission shall be promptly followed by such manually executed counterpart.

11.11 Survival of Representations and Warranties.

All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

11.12 Severability.

If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions

the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, the L/C Issuer or the Swingline Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

11.13 Replacement of Lenders.

If the Borrowers are entitled to replace a Lender pursuant to the provisions of Section 3.06, or if any Lender is a Defaulting Lender or a Non-Consenting Lender or if any other circumstance exists hereunder that gives the Borrowers the right to replace a Lender as a party hereto, then the Borrowers may, at their sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 11.06), all of its interests, rights (other than its existing rights to payments pursuant to Sections 3.01 and 3.04) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Domestic Borrowers shall have paid (or caused a Designated Borrower to pay) to the Administrative Agent the assignment fee (if any) specified in Section 11.06(b);

(b) such Lender shall have received payment of an amount equal to 100% of the outstanding principal of its Loans and L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the applicable Borrowers or applicable Designated Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with applicable Laws; and

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

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

11.14 Governing Law; Jurisdiction; Etc.

(a) GOVERNING LAW. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH

THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) SUBMISSION TO JURISDICTION. EACH BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE ADMINISTRATIVE AGENT, ANY LENDER, THE L/C ISSUER, OR ANY RELATED PARTY OF THE FOREGOING IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR THE L/C ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWERS OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. EACH BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 11.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

11.15 Waiver of Jury Trial.

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS

AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (a) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (b) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

11.16 Subordination.

Each Loan Party (a "Subordinating Loan Party") hereby subordinates the payment of all obligations and indebtedness of any other Loan Party owing to it, whether now existing or hereafter arising, including but not limited to any obligation of any such other Loan Party to the Subordinating Loan Party as subrogee of the Secured Parties or resulting from such Subordinating Loan Party's performance under this Guaranty, to the prior payment in full in cash of all Obligations. If the Administrative Agent so requests while an Event of Default shall have occurred and is continuing, any such obligation or indebtedness of any such other Loan Party to the Subordinating Loan Party shall be enforced and performance received by the Subordinating Loan Party as trustee for the Secured Parties and the proceeds thereof shall be paid over to the Secured Parties on account of the Secured Obligations, but without reducing or affecting in any manner the liability of the Subordinating Loan Party under this Agreement. Without limitation of the foregoing, so long as no Event of Default has occurred and is continuing, the Loan Parties and the Secured Parties may make and receive payments with respect to Intercompany Debt; provided, that in the event that any Loan Party receives any payment of any Intercompany Debt at a time when such payment is prohibited by this Section, such payment shall be held by such Loan Party, in trust for the benefit of, and shall be paid forthwith over and delivered, upon written request, to the Administrative Agent.

11.17 No Advisory or Fiduciary Responsibility.

In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each Borrower and each other Loan Party acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a) (i) the arranging and other services regarding this Agreement provided by the Administrative Agent and any Affiliate thereof, the Arranger and the Lenders are arm's-length commercial transactions between the Borrowers, each other Loan Party and their respective Affiliates, on the one hand, and the Administrative Agent and, as applicable, its Affiliates including the Arranger and the Lenders and their Affiliates (collectively, solely for purposes of this Section, the "Lenders"), on the other hand, (ii) each of the Borrowers and the other Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) each Borrower and each other Loan Party is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (b) (i) the Administrative Agent and its Affiliates including the Arranger and each Lender each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary, for Borrower, any other Loan Party or any of their respective Affiliates, or any other Person and (ii) neither the Administrative Agent, any of its Affiliates including the Arranger nor any Lender has any obligation to the Borrowers, any other Loan Party or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (c) the Administrative Agent and its Affiliates including the Arranger and the Lenders may be engaged in a broad range of transactions that involve interests that differ from those of the Borrowers, the other Loan Parties and their respective Affiliates, and neither the Administrative Agent, any of its Affiliates including the Arranger nor any Lender has any obligation to disclose any of such interests to the Borrowers, any other

Loan Party or any of their respective Affiliates. To the fullest extent permitted by law, each of the Borrowers and each other Loan Party hereby waives and releases any claims that it may have against the Administrative Agent, any of its Affiliates including the Arranger or any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby.

11.18 Electronic Execution.

The words "delivery," "execute," "execution," "signed," "signature," and words of like import in any Loan Document or any other document executed in connection herewith 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, physical delivery thereof 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; provided, further, without limiting the foregoing, upon the request of the Administrative Agent, any electronic signature shall be promptly followed by such manually executed counterpart.***

11.19 USA PATRIOT Act Notice.

Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrowers and the other Loan Parties that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify each Loan Party in accordance with the Act. The Borrowers and the Loan Parties agree to, promptly following a request by the Administrative Agent or any Lender, provide all such other documentation and information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Act.

11.20 Time of the Essence.

Time is of the essence of the Loan Documents.

11.21 Entire Agreement.

THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

11.22 Judgment Currency.

If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used

shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of each Loan Party in respect of any such sum due from it to the Administrative Agent or any Lender hereunder or under the other Loan Documents shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "Agreement Currency"), be discharged only to the extent that on the Business Day following receipt by the Administrative Agent or such Lender, as the case may be, of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent or such Lender, as the case may be, may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent or any Lender from any Loan Party in the Agreement Currency, such Loan Party agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or such Lender, as the case may be, against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent or any Lender in such currency, the Administrative Agent or such Lender, as the case may be, agrees to return the amount of any excess to such Loan Party (or to any other Person who may be entitled thereto under applicable law).

11.23 **Acknowledgement and Consent to Bail-In of EEA Financial Institutions**.

Solely to the extent any Lender or L/C Issuer that is an EEA Financial Institution is a party to this Agreement and notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender or L/C Issuer that is an EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA 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 Lender or L/C Issuer 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 undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

11.24 **Existing Credit Agreement Amended and Restated**.

On the Closing Date, this Agreement shall amend and restate the Existing Credit Agreement and the existing guarantee under the Existing Credit Agreement (the "Existing Guaranties") in their entirety but, for the avoidance of doubt, shall not constitute a novation of the parties' rights and obligations thereunder. On the Closing Date, the rights and obligations of the parties hereto evidenced by the Existing Credit Agreement and the Existing Guaranties shall be evidenced by this Agreement and the other Loan

Documents, the “Loans” as defined in the Existing Credit Agreement shall remain outstanding and be continued as, and converted to, Loans as defined herein and the Existing Letters of Credit issued by the L/C Issuer (as defined in the Existing Credit Agreement) for the account of certain Borrowers prior to the Closing Date shall remain issued and outstanding and shall be deemed to be Letters of Credit under this Agreement, and shall bear interest and be subject to such other fees as set forth in this Agreement.

11.25 **Swiss Limitations**.

(a) If and to the extent that a Swiss Loan Party becomes liable under this Agreement or any other Loan Document for obligations of a Non-Swiss-Controlled Group Member and if complying with such obligations would constitute a repayment of capital (*Einlagerückgewähr*), a violation of the legally protected reserves (*gesetzlich geschützte Reserven*) or the payment of a (constructive) dividend *((verdeckte) Gewinnausschüttung*) by such Swiss Loan Party or would otherwise be restricted under then applicable Swiss law (the "**Swiss Restricted Obligations**"), the aggregate liability of the Swiss Loan Party for Swiss Restricted Obligations shall be limited at such time to the Swiss Capped Amount provided that (1) this limitation shall only apply to the extent it is a requirement under applicable Swiss law at the time the Swiss Loan Party is required to perform under the Swiss Restricted Obligations, and (2) such limitation shall not free the Swiss Loan Party from its obligations in excess of the Swiss Capped Amount, but merely postpone the performance date therefore until such times as performance is again permitted.

(b) In relation to payments made under the Swiss Restricted Obligations, the Swiss Loan Party shall:

(i) procure that such payments can be made without deduction of Swiss Withholding Tax, or with deduction of Swiss Withholding Tax at a reduced rate, by discharging the liability to such tax by notification pursuant to applicable law (including double tax treaties) rather than payment of the tax (and the Swiss Loan Party shall promptly deliver to the Administrative Agent a copy of each such notification made);

(ii) if such notification procedure pursuant to subparagraph (i) above does not apply:

- deduct Swiss Withholding Tax at the rate of 35 per cent (or such other rate as is in force at that time) from any such payment or if the notification procedure pursuant to subparagraph (i) above applies for a part of the Swiss Withholding Tax only, deduct Swiss Withholding Tax at the reduced rate resulting after the discharge of part of such tax by notification under applicable law;
- pay any such deduction to the Swiss Federal Tax Administration;
- notify and provide evidence to the Administrative Agent that the Swiss Withholding Tax has been paid to the Swiss Federal Tax Administration; and
- (A) use its best efforts to ensure that any person other than a Loan Party, which is entitled to a full or partial refund of the Swiss Withholding Tax deducted from such payment in respect of Swiss Restricted Obligations, will, as soon as possible after such deduction, request a refund of Swiss Withholding Tax under applicable law (including treaties) and pay to the Administrative Agent upon receipt any amounts so refunded; or (B) if a Loan Party is entitled to a full or partial refund of the Swiss Withholding Tax deducted from such payment, and if requested by the Administrative Agent, provide the Administrative Agent those documents that are required by law and applicable treaties to be provided by the payer of such tax, for each relevant Loan Party, to prepare a claim for refund of Swiss Withholding Tax.

(c) Where a deduction for Swiss Withholding Tax is required to be made in respect of any payment under this clause pursuant to paragraph (b) above, the Administrative Agent shall be entitled to further enforce the Guarantee granted by the Swiss Loan Party under this Agreement and apply

proceeds therefrom against the Swiss Restricted Obligations (and the Swiss Loan Party shall withhold Swiss Withholding Tax on the additional amount in accordance with paragraph (b) above) so that after making any required deduction of Swiss Withholding Tax, the aggregate amount paid net of Swiss Withholding Tax is equal to the amount which would have resulted if no deduction of Swiss Withholding Tax had been required, subject always to the limitations set out in paragraph (a) above. This paragraph (c) is without prejudice to the indemnification obligations of any Loan Party other than the Swiss Loan Party in respect of any amounts deducted on account of Swiss Withholding Tax.

(d) If and to the extent requested by the Administrative Agent, the Swiss Loan Party shall, and any parent company of the Swiss Loan Party being a party to this Agreement shall procure that the Swiss Loan Party will, promptly implement all such measures and/or promptly procure the fulfilment of all prerequisites allowing it to promptly make the requested payment(s) from time to time, including the following:

(i) preparation of an up-to-date audited interim balance sheet of the Swiss Loan Party on the basis of which the Swiss Capped Amount will be determined;

(ii) confirmation of the auditors of the Swiss Loan Party that the Swiss Capped Amount has been correctly calculated;

(iii) approval by a shareholders' meeting of the Swiss Loan Party of the distribution of the relevant requested amount (within the limits of the Swiss Capped Amount);

(iv) if the enforcement of obligations of the Swiss Loan Party were limited due to the effects referred to in this clause and to the extent permitted by applicable Swiss law, write up and/or, to the extent permitted under the Loan Documents, realize any of its assets that are shown in its balance sheet with a book value that is lower than the market value of the assets (in case of realization, however, only if such assets are not necessary for the Swiss Loan Party's business (*nicht betriebsnotwendinge Aktiven*)), and/or convert share capital and statutory reserves into freely available reserves unless prohibited by mandatory law; and

(v) all such measures necessary or useful, and permitted under applicable Swiss law, to allow the Swiss Loan Party to make prompt payments or perform promptly the Swiss Restricted Obligations with a minimum of limitations.

[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.

BORROWERS: MOVADO GROUP, INC.

By: /s/ Sallie A. DeMarsilis
Name: Sallie A. DeMarsilis
Title: Chief Financial Officer and Principal Accounting Officer

MOVADO GROUP DELAWARE HOLDINGS CORPORATION

By: /s/ Sallie A. DeMarsilis
Name: Sallie A. DeMarsilis
Title: Chief Financial Officer and Principal Accounting Officer

MOVADO, LLC

By: /s/ Sallie A. DeMarsilis
Name: Sallie A. DeMarsilis
Title: Treasurer

MOVADO RETAIL GROUP, INC.

By: /s/ Sallie A. DeMarsilis
Name: Sallie A. DeMarsilis
Title: Vice Presdient and Treasurer

MGI LUXURY GROUP S.A.

By: /s/ Sallie A. DeMarsilis
Name: Sallie A. DeMarsilis
Title: Director

By: /s/ Mitchell Sussis
Name: Mitchell Sussis
Title: Authorized Signatory

MOVADO WATCH COMPANY SA

By: /s/ Sallie A. DeMarsilis
Name: Sallie A. DeMarsilis
Title: Director

By: /s/ Mitchell Sussis
Name: Mitchell Sussis
Title: Authorized Signatory

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

By: /s/ Ronaldo Noval
Name: Ronaldo Noval
Title: Vice President

BANK OF AMERICA, N.A.,
as a Lender, L/C Issuer and Swingline Lender

By: /s/ Jana L. Baker
Name: Jana L. Baker
Title: Seior Vice President

LENDERS: BANK LEUMI USA,

as a Lender

By: /s/ Russell Turley
Name: Russell Turley
Title: Vice President

By: /s/ Douglas J. Meyer
Name: Douglas J. Meyer
Title: Senior Vice President

PNC BANK, NATIONAL ASSOCIATION
as a Lender

By: /s/ Melinda DiBenedetto
Name: Melinda DiBenedetto
Title: Vice President

SCHEDULE 1.01(a)
to
Credit Agreement

CERTAIN ADDRESSES FOR NOTICES

LOAN PARTIES:

c/o Movado Group, Inc.
650 From Road
Suite 375
Paramus, NJ 07652-3556
Attention: Sallie A. DeMarsilis
Telephone: 201-267-8255
Telecopier: N/A
Electronic Mail: sdemarsilis@movadogroup.com

ADMINISTRATIVE AGENT:

Administrative Agent's Office
(for payments and Requests for Credit Extensions):

Bank of America, N.A.
2380 Performance Drive
Building C
Mail Code: TX2-984-03-23
Richardson, TX 75082
Attention: Katlyn H. Tran
Telephone: (469) 201-4056
Telecopier: (214) 290-9714
Electronic Mail: katlyn.tran@baml.com

Other Notices as Administrative Agent:

Bank of America, N.A.
Agency Management
2380 Performance Drive
Building C
Mail Code: TX2-984-03-26
Richardson, TX 75082
Attention: Ronaldo Naval
Telephone: (214) 209-1162
Telecopier: (877) 511-6124
Electronic Mail: ronaldo.naval@baml.com

L/C ISSUER:

Bank of America, N.A.
Trade Operations
1 FLEET WAY
Mail Code: PA6-580-02-30
SCRANTON PA 18507
Phone: 1.570.496.9619
Fax: 1.800.755.8740
Electronic Mail: tradeclientserviceteamus@baml.com

SWING LINE LENDER:

Bank of America, N.A.
2380 Performance Drive
Building C
Mail Code: TX2-984-03-23
Richardson, TX 75082
Attention: Katlyn H. Tran
Telephone: (469) 201-4056
Telecopier: (214) 290-9714
Electronic Mail: katlyn.tran@baml.com

SCHEDULE 1.01(b)
to
Credit Agreement

Lender	Revolving Commitment	Applicable Percentage
Bank of America, N.A.	$60,000,000	60%
PNC Bank, National Association	$20,000,000	20%
Bank Leumi USA	$20,000,000	20%
Total	$100,000,000	100%

SCHEDULE 1.01(c)
to
Credit Agreement

RESPONSIBLE OFFICERS

Company	Title	Name
(a)Movado Group, Inc.	Chairman, Chief Executive Officer	Efraim Grinberg
	Chief Financial Officer, Principal Accounting Officer	Sallie A. DeMarsilis
	Senior Vice President – Global Business Processes and Chief Information Officer	Frank Morelli
	Secretary	Mitchell Sussis
(b)Movado Retail Group, Inc.	President	David Phalen
	Vice President, Treasurer	Sallie A. DeMarsilis
	Secretary	Mitchell Sussis
(c)Movado Group Delaware Holdings Corporation	President	Robert Gilsenan
	Treasurer, CFO	Sallie A. DeMarsilis
	Secretary	Mitchell Sussis
(d)Movado LLC	President	Robert Gilsenan
	Treasurer	Sallie A. DeMarsilis
	Secretary	Mitchell Sussis
(e)MGI Luxury Group S.A.	President & Delegate	Flavio Pellegrini
	Officer	Jochen Shulz
	Director	Sallie A. DeMarsilis
	Authorized Signatory	Mitchell Sussis

Company	Title	Name
(f)Movado Watch Company SA	President & Delegate	Flavio Pellegrini
	Officer	Jochen Shulz
	Director	Sallie A. DeMarsilis
	Authorized Signatory	Mitchell Sussis

SCHEDULE 2.03
to
Credit Agreement

EXISTING LETTERS OF CREDIT

Company	Beneficiary	Outstanding Amount	Currency	Issue Date	Expiration Date
Movado Group, Inc.	Royal Bank of Canada Toronto	$76,804.02	CAD	03/31/10	04/26/19
Movado Group, Inc.	Forsgate Industrial Complex LP	$228,248.55	USD	04/22/10	05/31/19

SCHEDULE 5.10
to
Credit Agreement

INSURANCE

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*****CONFIDENTIAL PORTION OF THIS EXHIBIT OMITTED AND FILED SEPARATELY WITH THE SEC PUSUANT TO RULE 24b-2 OF THE 1934 ACT.

SCHEDULE 5.12
to
Credit Agreement

PENSION PLANS

None.

SCHEDULE 5.20(a)
to
Credit Agreement

SUBSIDIARIES; JOINT VENTURES; PARTNERSHIPS AND OTHER EQUITY INVESTMENTS

Subsidiaries whose Equity Interests are being pledged:

Entity	Equity Interests Outstanding (number of shares)	Record Owner	Equity Interests Owned by Record Owner (number of shares)	Equity Interests Owned by Record Owner (percentage)	Class or Nature of Equity Interests
Movado Group Delaware Holdings Corporation	1000	Movado Group, Inc.	1000	100%	common stock
Movado Retail Group, Inc.	100	Movado Group, Inc.	100	100%	common stock
Movado LLC	N/A	Movado Group Delaware Holdings Corporation	N/A	100%	membership interests
Movado Watch Company SA	4,500	Movado Group, Inc.	4,500	100%	ordinary shares
Movado Group of Canada Inc.	1,000	Movado Group, Inc.	1,000	100%	common stock
MGI Luxury Group B.V.	N/A	Movado Group, Inc.	N/A	100%	shares

Subsidiaries whose Equity Interests are NOT being pledged:

Entity	Record Owner	Equity Interests Owned by Record Owner (percentage)
MGI Distribución, s. de R.L. de C.V.	Movado Group, Inc. Movado Group Delaware Holdings, Inc.	100%
Movado Group Nederland B.V.	MGI Luxury Group B.V.	100%
Movado Watch Deutschland GmbH (inactive)	Movado Watch Company SA	100%
MGI Luxury Group S.A.	Movado Watch Company SA	100%
Movado Group France SAS	Movado Group Nederland B.V.	100%
Movado Group Deutschland GmbH	Movado Group Nederland B.V.	100%
Concord Deutschland GmbH (inactive)	Movado Watch Deutschland GmbH	100%
MGI Luxury Group GmbH	Movado Watch Deutschland GmbH	100%
Concord Watch Co. S.A.	M.G.I. Luxury Group S.A.	100%
SwissWave Europe SA	MGI Luxury Group S.A.	100%
Ebel Watches, SA	MGI Luxury Group S.A.	100%
MGI Luxury Singapore Pte Ltd.	MGI Luxury Group S.A.	100%
MGI Luxury Asia Pacific Ltd.	MGI Luxury Group S.A.	100%
MGI Luxury Trading (Shanghai) Ltd.	MGI Luxury Asia Pacific Ltd.	100%
MGI Luxury Malaysia SDN. BHD	MGI Luxury Group S.A.	100%
Swissam Products Limited	MGI Luxury Group S.A.	100%
Movado Group UK Limited	Movado Watch Company SA	100%
JLB Brands Ltd.	Movado Group UK Limited	100%

Other Equity Interests

Entity	Record Owner	Equity Interests Owned by Record Owner (percentage)
Societe Immobiliere Rue Du Parc 153-155 S.A.	MGI Luxury Group S.A.	40%

SCHEDULE 5.20(b)
to
Credit Agreement

LOAN PARTIES

Name	Former Names (last four months)	Jurisdiction	Type of Organization	Jurisdictions where qualified to do business	Address of Chief Executive Address	Address of Principal Place of Business	Tax ID	Organization ID	Ownership Information
Movado Group, Inc.	None	New York	Corporation	NJ, FL, MO, MI	650 From Road, Suite 375 Paramus, NJ 07652-3556	650 From Road, Suite 375 Paramus, NJ 07652-3556	13-2595932	215759	Grinberg Partners, L.P. Approx. 44.0% of voting power
Movado Retail Group, Inc.	None	New Jersey	Corporation	AZ, CA, CT, FL, GA, IL, IN, MA, ME, MI, MN, NC, NV, NY, PA, TX, VA, WA	650 From Road, Suite 375 Paramus, NJ 07652-3556	650 From Road, Suite 375 Paramus, NJ 07652-3556	22-3557612	0100721464	Movado Group, Inc.
Movado LLC	None	Delaware	Limited Liability Company		501 Silverside Road Wilmington, DE 19809	650 From Road, Suite 375 Paramus, NJ 07652-3556	22-3594203	2911472	Movado Group Delaware Holdings Corporation

Movado Group Delaware Holdings Corporation	None	Delaware	Corporation		501 Silverside Road Wilmington, DE 19809	650 From Road, Suite 375 Paramus, NJ 07652-3556	22-2594200	2911475	Movado Group, Inc.
Movado Watch Company SA	None	Switzerland	Société Anonyme	Switzerland	Bettlachstr. 8 2540 Grenchen Switzerland	Bettlachstr. 8 2540 Grenchen Switzerland	N/A	CHE-101.362.788	Movado Group, Inc.
MGI Luxury Group S.A.	None	Switzerland	Société Anonyme	Switzerland	Bahnhofplatz 2B 2502 Biel/Bienne Switzerland	Bahnhofplatz 2B 2502 Biel/Bienne Switzerland	N/A	CH-073.3.000.478-7	Movado Watch Company SA

SCHEDULE 5.21(b)(i)
to
Credit Agreement

INTELLECTUAL PROPERTY

Movado – US Patent Applications and Issued Patents

Title	Type of Patent	Owner	Filing Date	Issue Date	Serial No.	Patent Number	Status
DECORATIVE JEWELRY ITEM	Design	Movado LLC	May 28, 2004	Sep 20, 2005	29/206,295	D509766	Registered
DECORATIVE JEWELRY ITEM	Design	Movado LLC	May 28, 2004	Feb 20, 2007	29/206,300	D537012	Registered
DECORATIVE JEWELRY ITEM	Design	Movado LLC	May 28, 2004	Jun 28, 2005	29/206,293	D506699	Registered
DECORATIVE JEWELRY ITEM	Design	Movado LLC	May 28, 2004	Nov 8, 2005	29/206,369	D511312	Registered
OPENABLE PENDANT WITH MOVEABLE ITEMS	Design	Movado LLC	Aug 3, 2006	Jan 1, 2008	29/264,171	D558635	Registered
RING	Design	Movado LLC	May 28, 2004	Nov 29, 2005	29/206,285	D511986	Registered
RING	Design	Movado LLC	May 28, 2004	Jan 31, 2006	29/206,297	D514011	Registered
RING	Design	Movado LLC	May 28, 2004	Nov 22, 2005	29/206,298	D511707	Registered
RING	Design	Movado LLC	May 28, 2004	Mar 14, 2006	29/206,296	D516936	Registered
RING	Design	Movado LLC	May 28, 2004	Dec 20, 2005	29/206,284	D512933	Registered
RING	Design	Movado LLC	May 28, 2004	Mar 14, 2006	29/206,294	D516937	Registered
WATCH (ONO MIA)	Design	Movado LLC	Jan 9, 2007	Jan 29, 2008	29/271,107	D560513	Registered

Title	Type of Patent	Owner	Filing Date	Issue Date	Serial No.	Patent Number	Status
WATCH (ONO)	Design	Movado LLC	Jul 19, 2006	Nov 16, 2010	29/263,311	D627240	Registered
WATCH CASE	Design	Movado LLC	Jan 5, 2007	Nov 20, 2007	29/271,000	D555520	Registered
WATCH CASE (C1)	Design	MGI Luxury Group S.A.	Mar 29, 2007	Jan 1, 2008	29/285491	D5586145	Registered
WATCH COVER (Bold)	Design	Movado LLC	Feb 28, 2012	Nov 18, 2028	29/414,406	D717683	Registered
WATCH FACE (Edge)	Design	Movado LLC	Sept 26, 2016	Aug 21, 2018	29/579392	D826076	Registered

Movado – US Trademark Applications and Registrations

Trademark	Owner	Appl. Date	Reg. Date	Appl. No.	Reg. No.	Status	Class
ALLITA	Movado LLC	Jul 10, 2002	Jul 1, 2003	78/142,778	2732184	Registered	14
AMOROSA	Movado LLC	Aug 6, 2001	Sep 23, 2003	76/295,248	2767577	Registered	14
AQUASPORT	Movado LLC	Apr 4, 1995	Jun 26, 2001	74/655,863	2463041	Registered	14
BELAMODA	Movado LLC	Apr 7, 2009	Sep 7, 2010	77/708,703	3846056	Registered	14
CALENDOMATIC	Movado LLC	Aug 13, 2008	Apr 27, 2010	77/546,187	3782003	Registered	14
CALLISTO	Movado LLC	Dec 28, 2001	Jul 15, 2003	76/354,087	2738618	Registered	14
CANTER	Movado LLC	Feb 9, 1999	Jun 12, 2001	75/636,925	2460172	Registered	14
CARLTON	Movado LLC	May 13, 2003	Aug 10, 2004	78/248,941	2872855	Registered	14
CASSIDY	Movado LLC	Feb 20, 2002	Oct 12, 2004	76/373,091	2892365	Registered	14
CHRONICLE	Movado LLC	Jan 14, 1999	Jul 2, 2002	75/620,739	2588853	Registered	14
CONCERTO (Stylized)	Movado LLC	Aug 15, 1951	Aug 26, 1952	71/617,696	563424	Registered	14
CONCORD	Movado LLC	Oct 28, 1957	Oct 14, 1958	72/039,594	668353	Registered	14

Trademark	Owner	Appl. Date	Reg. Date	Appl. No.	Reg. No.	Status	Class
CONCORD MARINER	Movado LLC	Aug 18, 1982	Apr 10, 1984	73/380,541	1273444	Registered	14
DATRON	Movado LLC	Nov 4, 2008	Jun 1, 2010	77/606,881	3796729	Registered	14
DEFIO	Movado LLC	Apr 7, 2009	Dec 4, 2012	77/708,714	4254251	Registered	14
DELIRIUM	Movado LLC	Nov 13, 1979	May 19, 1981	73/238,831	1154848	Registered	14
DELPHINO	Movado LLC	May 9, 2000	Apr 2, 2002	76/044,389	2557161	Registered	14
ELIRO	Movado LLC	Jan 27, 1999	Sep 25, 2001	75/628,954	2493126	Registered	14
ELLIPTICA	Movado LLC	Jan 4, 2001	Apr 2, 2002	76/190,387	2557341	Registered	14
ESPERANZA	Movado LLC	Feb 21, 2001	Jul 6, 2004	76/213,855	2859263	Registered	14
ESTIMO	Movado LLC	Apr 29, 2002	Dec 16, 2003	76/400,699	2795758	Registered	14
GENTRY	Movado LLC	Dec 23, 1991	Aug 17, 1993	74/233,057	1788856	Registered	14
HAMPSHIRE	Movado LLC	Jul 6, 1999	Oct 15, 2002	75/743,186	2635914	Registered	14
HARMONY	Movado LLC	Mar 29, 1999	Dec 17, 2002	75/669,729	2661064	Registered	14
HERITAGE	Movado LLC	Aug 24, 1987	Jun 28, 1988	73/680,243	1494165	Registered	14
HOURTIME	Movado LLC	Oct 21, 2015	Aug 23, 2016	86/794942	5028601	Registered	14
IMPRESARIO	Movado LLC	Mar 30, 1998	Oct 5, 1999	75/459,048	2284099	Registered	14
INTRIGUE	Movado LLC	Mar 14, 2002	Jun 1, 2004	76/383,067	2848323	Registered	14
KINGMATIC	Movado LLC	Oct 17, 1997	Oct 12, 1999	75/375,378	2286343	Registered	14
LANCY	Movado LLC	Dec 18, 2000	Mar 4, 2003	76/182,192	2692110	Registered	14
LEGATO	Movado LLC	Aug 1, 2001	Jul 30, 2002	76/293,605	2602799	Registered	14
LINQUE	Movado LLC	Feb 9, 1999	Nov 12, 2002	75/636,926	2647682	Registered	14
M and Design	Movado LLC	Feb 2, 1998	Jun 13, 2000	75/979,178	2358733	Registered	14, 20, 35
MEZZA	Movado LLC	Feb 9, 1999	Aug 14, 2001	75/636,818	2478410	Registered	14

Trademark	Owner	Appl. Date	Reg. Date	Appl. No.	Reg. No.	Status	Class
Miscellaneous Design (Black circle design)	Movado LLC	May 31, 1983	Jun 24, 1986	73/428,100	1398457	Registered	14
Miscellaneous Design (Grid in circle design)	Movado LLC	Jul 22, 1991	Dec 15, 1992	74/187,270	1739422	Registered	14
Miscellaneous Design (White circle design)	Movado LLC	May 31, 1983	Feb 4, 1986	73/428,080	1381257	Registered	14
MOVADO	Movado LLC	Jun 15, 1983	Sep 11, 1984	73/430,362	1294171	Registered	14
MOVADO	Movado LLC	Jul 22, 2008	May 4, 2010	77/528,532	3785542	Registered	14
MOVADO	Movado LLC	Aug 11, 2005	Jul 25, 2006	78/690,992	3120578	Registered	14
MOVADO	Movado LLC	Jun 15, 2016	Aug 1, 2017	87/072421	5254113	Registered	14
MOVADO BOLD	Movado LLC	Jul 7, 2011	Jul 3, 2012	85/361,669	4166814	Registered	14
MUSEUM	Movado LLC	Jun 8, 1978	Feb 27, 1979	73/173,642	1114067	Registered	14
OCEANIA	Movado LLC	Jan 6, 2000	Jul 24, 2001	75/889,089	2472396	Registered	14
ONO	Movado LLC	Sep 19, 2000	May 28, 2002	76/131,111	2573107	Registered	14
ONO	Movado LLC	Sep 26, 2006	Aug 7, 2007	77/007,973	3273420	Registered	14
PORTICO	Movado LLC	May 18, 2000	May 21, 2002	76/051,227	2572077	Registered	14
PREVIA	Movado LLC	Jan 6, 2000	Jun 12, 2001	75/889,092	2460504	Registered	14
RALLY	Movado LLC	Nov 26, 1996	May 30, 2000	75/204,620	2353950	Registered	14
RAVA	Movado LLC	Dec 5, 2007	Sep 22, 2009	77/344,372	3686775	Registered	14
RED LABEL	Movado LLC	Aug 13, 2008	Apr 27, 2010	77/546,215	3782004	Registered	14
RILATI	Movado LLC	Dec 18, 2000	May 7, 2002	76/182,191	2567059	Registered	14
SAFIRO	Movado LLC	Feb 2, 2000	Nov 21, 2000	75/908,245	2406462	Registered	14
SARATOGA	Movado LLC	Sep 22, 1986	Oct 4, 1988	73/621,337	1507063	Registered	14

Trademark	Owner	Appl. Date	Reg. Date	Appl. No.	Reg. No.	Status	Class
SE	Movado LLC	Nov 14, 2001	Nov 18, 2003	76/338,858	2783671	Registered	14
SERIES 800	Movado LLC	Jun 18, 2009	Jan 19, 2010	77/763,001	3739784	Registered	14
SERIO	Movado LLC	Apr 8, 2010	May 17, 2011	85/009,517	3963357	Registered	14
SIREN	Movado LLC	Jan 6, 2000	Jul 3, 2001	75/889,087	2466665	Registered	14
SPRITA	Movado LLC	Jan 26, 2001	Apr 23, 2002	76/200,481	2564605	Registered	14
SQUADRON	Movado LLC	Oct 13, 1998	Dec 12, 2000	75/821,674	2412285	Registered	14
STRATUS	Movado LLC	Feb 9, 1999	Mar 6, 2001	75/636,949	2434060	Registered	14
SUB-SEA	Movado LLC	Jul 22, 2008	May 4, 2010	77/528,563	3785543	Registered	14
THE ART OF PERFORMANCE	Movado LLC	Apr 17, 2014	Oct 20, 2015	86/254742	4837614	Registered	14
TREVI	Movado LLC	Sep 6, 1996	May 12, 1998	75/162,157	2157587	Registered	14
VALOR	Movado LLC	Jan 10, 1997	Apr 11, 2000	75/224,146	2341637	Registered	14
VENETO	Movado LLC	Nov 3, 1998	Aug 31, 2004	75/581,645	2878094	Registered	14
VENUE	Movado LLC	Jan 6, 2000	Jun 19, 2001	75/889,088	2462831	Registered	14
VERONA	Movado LLC	Feb 9, 1999	Sep 18, 2001	75/636,817	2489854	Registered	14
VERTEX	Movado LLC	Jan 6, 2000	Jul 24, 2001	75/889,090	2472397	Registered	14
VIXEN	Movado LLC	Apr 25, 2001	Jul 2, 2002	76/246,143	2589889	Registered	14
VIZIO	Movado LLC	Dec 5, 1995	Sep 16, 1997	75/028,051	2098170	Registered	14
ALTERNATIVE FACTS	Movado LLC	Jan 27, 2017		87/315947		Pending	14, 16, 18, 25
ERMETO	Movado LLC	Feb 7, 2018		87/788380		Pending	14
JETTISON	Movado LLC	Dec 20, 2017		87/728825		Pending	14
JETTISON	Movado LLC	Jan 10, 2018		87/750460		Pending	14
MOVADO FUTURE LEGENDS	Movado LLC	Aug 28, 2018		88/095872		Pending	14

Trademark	Owner	Appl. Date	Reg. Date	Appl. No.	Reg. No.	Status	Class
TIME, YOUR WAY	Movado LLC	Jun 9, 2015		86/656821		Pending	14

Movado – US Copyright Registrations

Trademark	**Owner**	**Reg. Date**	**Reg. No.**	**Status**
MIRI Jewelry Copyright Application	Movado LLC	Apr 8, 2008	VA0001674811	Registered
TRIO Jewelry Copyright	Movado LLC	Apr 8, 2008	VA0001674816	Registered

SCHEDULE 5.21(b)(ii)
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INTERNET DOMAIN NAMES

umber	Domain Name	Registrant	Expiration Date	Account Holder
1.	1-800-4movado.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	1/14/2019	Movado Group, Inc
2.	18004movado.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	1/14/2019	Movado Group, Inc
3.	800movado.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	6/26/2018	Movado Group, Inc
4.	cheap-movado-watches.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	11/22/2015	Movado Group, Inc
5.	cheapmovado.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	11/12/2015	Movado Group, Inc
6.	concord-watch.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	3/23/2019	Movado Group, Inc
7.	concord-watches.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	6/26/2018	Movado Group, Inc
8.	concord.biz	Robert Gilsenan, Esq., Movado LLC, 501 Silverside Rd., Suite 25, Wilmington DE, 19809	3/26/2019	Movado Group, Inc
9.	concord.info	Robert Gilsenan, Esq., Movado LLC, 501 Silverside Rd., Suite 25, Wilmington DE, 19809	7/26/2021	Movado Group, Inc
10.	concordtimepiece.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	3/12/2016	Movado Group, Inc
11.	concordwatch.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	11/30/2018	Movado Group, Inc
12.	concordwatches.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	12/2/2018	Movado Group, Inc
13.	designoftime.asia	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	7/31/2023	Movado Group, Inc
14.	designoftime.net	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	7/31/2023	Movado Group, Inc
15.	designoftimeasia.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	7/31/2023	Movado Group, Inc
16.	designoftimeofficial.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	7/31/2023	Movado Group, Inc
17.	discovertime.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	6/20/2019	Movado Group, Inc
18.	discoverwatches.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	6/9/2019	Movado Group, Inc
19.	ebel-watches.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	12/14/2018	Movado Group, Inc
20.	ebel.biz	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	11/18/2018	Movado Group, Inc
21.	ebel.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	4/23/2025	Movado Group, Inc
22.	ebel.info	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	8/10/2022	Movado Group, Inc

Number	Domain Name	Registrant	Expiration Date	Account Holder
23.	ebel.net	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	4/10/2018	Movado Group, Inc.
24.	ebel.org	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	5/29/2018	Movado Group, Inc.
25.	ebel.us	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	5/15/2019	Movado Group, Inc.
26.	ebelwatch.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	11/14/2018	Movado Group, Inc.
27.	ebelwatch.org	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	11/18/2018	Movado Group, Inc.
28.	Ebel-watch.net	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	6/24/2019	Movado Group, Inc.
29.	Ebel-watch.org	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	6/24/2019	Movado Group, Inc.
30.	Ebel-watches.net	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	7/24/2019	Movado Group, Inc.
31.	Ebel-watches.org	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	7/24/2019	Movado Group, Inc.
32.	ebelwatchesreview.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	6/14/2018	Movado Group, Inc.
33.	hourtime.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	3/19/2025	Movado Group, Inc.
34.	*	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	4/24/2019	Movado Group, Inc.
35.	*	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	4/22/2019	Movado Group, Inc.
36.	*	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	4/26/2019	Movado Group, Inc.
37.	*	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	4/24/2020	Movado Group, Inc.
38.	*	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	5/22/2019	Movado Group, Inc.
39.	*	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	4/24/2019	Movado Group, Inc.
40.	*	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	11/22/2018	Movado Group, Inc.
41.	*	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	4/24/2020	Movado Group, Inc.
42.	*	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	5/10/2023	Movado Group, Inc.
43.	*	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	4/24/2019	Movado Group, Inc.
44.	*	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	4/24/2020	Movado Group, Inc.
45.	*	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	11/22/2018	Movado Group, Inc.
46.	*	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	4/24/2020	Movado Group, Inc.
47.	*	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	5/22/2019	Movado Group, Inc.
48.	*	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	4/26/2019	Movado Group, Inc.
49.	*	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	4/24/2020	Movado Group, Inc.

umber	Domain Name	Registrant	Expiration Date	Account Holder
50.	*	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	4/24/2019	Movado Group, Inc
51.	*	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	5/22/2019	Movado Group, Inc
52.	*	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	4/24/2019	Movado Group, Inc
53.	*	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	4/24/2020	Movado Group, Inc
54.	mgicustomer.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	1/28/2019	Movado Group, Inc
55.	mgiluxury.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	2/22/2017	Movado Group, Inc
56.	mgiluxurygroup.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	2/22/2017	Movado Group, Inc
57.	mgiservice.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	1/28/2019	Movado Group, Inc
58.	mmovado.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	9/27/2019	Movado Group, Inc
59.	movado-black-watch.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	11/2/2019	Movado Group, Inc
60.	movado-boutique.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	9/7/2019	Movado Group, Inc
61.	movado-outlet.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	9/7/2019	Movado Group, Inc
62.	movado-store.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	9/7/2019	Movado Group, Inc
63.	movado-watch.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	5/22/2018	Movado Group, Inc
64.	movado.biz	Movado LLC, 501 Silverside Rd., Suite 25, Wilmington DE, 19809	11/18/2020	Movado Group, Inc
65.	movado.ca	Movado Group, Inc.	1/8/2019	Movado Group, Inc
66.	movado.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	7/29/2019	Movado Group, Inc
67.	movado.info	Robert Gilsenan, Esq., Movado LLC, 501 Silverside Rd., Suite 25, Wilmington DE, 19809	7/26/2021	Movado Group, Inc
68.	Movado.face	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	8/1/2023	Movado Group, Inc
69.	Movado.fitness	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	3/16/2022	Movado Group, Inc
70.	movado.net	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	12/5/2018	Movado Group, Inc
71.	Movado.news	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	3/20/2024	Movado Group, Inc
72.	Movado.online	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	4/19/2023	Movado Group, Inc
73.	Movado.store	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	6/6/2023	Movado Group, Inc
74.	Movado.sucks	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	6/20/2019	Movado Group, Inc
75.	Movado.training	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	12/21/2019	Movado Group, Inc
76.	movado800series.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	12/4/2018	Movado Group, Inc

Number	Domain Name	Registrant	Expiration Date	Account Holder
77.	movadobotique.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	10/15/2021	Movado Group, Inc.
78.	movadoboutique.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	5/18/2018	Movado Group, Inc.
79.	movadoclearance.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	2/2/2019	Movado Group, Inc.
80.	movadocompany.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	8/16/2016	Movado Group, Inc.
81.	movadocompanystore.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	9/4/2018	Movado Group, Inc.
82.	movadocompanystore.info	Privacy Protected	4/8/2015	Movado Group, Inc.
83.	movadocompanystore.org	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	1/25/2017	Movado Group, Inc.
84.	movadodiamond.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	6/21/2019	Movado Group, Inc.
85.	movadodiamondwatches.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	9/20/2021	Movado Group, Inc.
86.	movadoelliptica.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	10/26/2019	Movado Group, Inc.
87.	movadogroup.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	11/13/2018	Movado Group, Inc.
88.	movadogroupinc.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	11/26/2018	Movado Group, Inc.
89.	movadokara.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	2/16/2019	Movado Group, Inc.
90.	movadooutlet.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	10/11/2021	Movado Group, Inc.
91.	movadooutletstore.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	5/31/2018	Movado Group, Inc.
92.	movadosento.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	5/1/2017	Movado Group, Inc.
93.	movadoseries.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	10/12/2019	Movado Group, Inc.
94.	movadostore.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	9/26/2018	Movado Group, Inc.
95.	movadostores.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	1/23/2020	Movado Group, Inc.
96.	movadowatch.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	5/29/2016	Movado Group, Inc.
97.	movadowatchco.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	6/30/2019	Movado Group, Inc.
98.	movadowatches.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	5/29/2016	Movado Group, Inc.
99.	movadowatchessale.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	5/4/2022	Movado Group, Inc.
100.	movadowatchesshop.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	5/4/2022	Movado Group, Inc.
101.	movadowatchs.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	12/29/2019	Movado Group, Inc.
102.	movadowatchshop.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	11/3/2022	Movado Group, Inc.
103.	movadowathes.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	10/1/2019	Movado Group, Inc.

Number	Domain Name	Registrant	Expiration Date	Account Holder
104.	north-american-watch.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	3/23/2019	Movado Group, Inc.
105.	series800.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	5/10/2019	Movado Group, Inc.
106.	servicemovadogroup.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	6/12/2019	Movado Group, Inc.
107.	wwwmovado.com	Movado Group, Inc., 650 From Road Ste375, Paramus NJ, 07652	9/19/2016	Movado Group, Inc.

*CONFIDENTIAL PORTION OF THIS EXHIBIT OMITTED AND FILED SEPARATELY WITH THE SEC PUSUANT TO RULE 24b-2 OF THE 1934 ACT.

SCHEDULE 5.21(c)
to
Credit Agreement

PLEDGED EQUITY INTERESTS

Issuer	Grantor	No. of Shares Pledged	Class or Category	% Pledged	Certificate Number
Movado Group Delaware Holdings Corporation	Movado Group, Inc.	1,000	Common	100	1
Movado Retail Group, Inc.	Movado Group, Inc.	100	Common	100	1
Movado Watch Company SA	Movado Group, Inc.	2,925	Ordinary shares	65	7
Movado Group of Canada, Inc.	Movado Group, Inc.	650	Common	65	C-5
Movado LLC	Movado Group Delaware Holdings Corporation	N/A	Membership interests	100	uncertificated
MGI Luxury Group B.V.	Movado Group, Inc.	N/A	Ordinary shares	65	uncertificated

SCHEDULE 5.21(d)(i)
to
Credit Agreement

REAL PROPERTIES

Owner of Real Property	Number of Buildings on Real Property	Property Address
MGI Luxury Group S.A.	1	Rue du Doubs, 167 CH-2300 La Chaux-de-Fonds (Switzerland)

SCHEDULE 5.21(d)(ii)
to
Credit Agreement

OTHER PROPERTIES

Address	Owned/Leased/ Third Party	Name/Address of Lessor or Third Party, as Applicable
650 From Road, Suite 375 Paramus, NJ 07652-3556	Leased	Mack-Cali Realty, L.P. 11 Commerce Drive Cranford, NJ 07071
501 Silverside Road, Suite 25 Wilmington, DE 19809	Leased	Ferm Enterprises, L.P., T/A Silverside Carr Executive Center, 501 Silverside Road Wilmington, DE 19809
105 State Street, Moonachie, New Jersey 07074	Leased	Forsgate Industrial Partner c/o Charles Klatskin Company, Inc. 400 Hollister Road Teterboro, NJ 07608
25 West 39th Street, 15th Floor New York, NY 10018	Leased	25 West 39th Street Realty, LLC 404 Fifth Avenue, 4th Floor New York, NY 10018
800 Douglas Road, Suite 835 North Tower Coral Gables, FL 33134	Leased	Transwestern Douglas Entrance, LLC PO Box 535131 Atlanta, GA 30353-5131

SCHEDULE 5.21(e)
to
Credit Agreement

MATERIAL CONTRACTS

1. Amended and Restated License Agreement between MGI Luxury Group, S.A., , Lacoste S.A., Sporloisirs S.A. and Lacoste Alligator S.A., dated March 28, 2014 with an effective date as of January 1, 2015.

2. Amended and Restated License Agreement dated September 16, 2009 by and between Movado Group, Inc., Swissam Products Limited and Tommy Hilfiger Licensing, LLC, as amended by Amendment Number 1, dated January 11, 2010, Amendment Number 2 dated as of September 30, 2012, and Amendment Number 3 dated as of November 13, 2013.

3. Amended and Restated License Agreement entered into as of November 23, 2017 by and between the Registrant and Ferrari S.p.A.

4. Amended and Restated License Agreement, effective as of January 1, 2012 by and between MGI Luxury Group, S.A. and Hugo Boss Trademark Management GmbH & Co. KG.

5. Term Sheet dated October 11, 2017 governing the amendment and restatement of the Amended and Restated License Agreement, effective as of January 1, 2012 by and between MGI Luxury Group, S.A. and Hugo Boss Trademark Management GmbH & Co. KG. Incorporated herein by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 2017 filed on November 21, 2017.

6. Amended and Restated License Agreement entered into January 13, 2015, by and among Coach, Inc., Movado Group, Inc., and Swissam Products Limited.

7. License and Collaboration Agreement entered into as of October 21, 2016, by and between Movado Group, Inc., Swissam Products Limited, and Rebecca Minkoff, LLC.

8. Sale and Purchase Agreement dated July 3, 2017 between MGS Distribution Ltd and Lesa Bennett and Jemma Fennings in respect of the share capital of JLB Brands Ltd.

9. Movado Group, Inc. 1996 Stock Incentive Plan, Amended and Restated as of April 4, 2013.

10. Movado Group, Inc. Amended and Restated Deferred Compensation Plan for Executives, effective January 1, 2013.

11. Movado Group, Inc. Executive Performance Plan, Amended and Restated as of February 1, 2014.

12. Lease made December 21, 2000 between the Movado Group, Inc. and Mack-Cali Realty, L.P. (as amended) for premises in Paramus, New Jersey.

13. Lease Agreement dated May 22, 2000 between Forsgate Industrial Complex and Movado Group, Inc. for premises located at 105 State Street, Moonachie, New Jersey.

14. First Amendment dated as of February 27, 2009 to Lease dated May 22, 2000 between Forsgate

Industrial Complex as Landlord and Movado Group, Inc. as Tenant for the premises known as 105 State Street, Moonachie, New Jersey.

15. *

16. *

17. *

18. *

19. *

20. *

*CONFIDENTIAL PORTION OF THIS EXHIBIT OMITTED AND FILED SEPARATELY WITH THE SEC PUSUANT TO RULE 24b-2 OF THE 1934 ACT.

SCHEDULE 7.01
to
Credit Agreement

EXISTING LIENS

Debtor	Jurisdiction	Secured Party/ Consignor	File Number	File Date	File Type	Description Summary
MOVADO GROUP, INC.	NY – DEPARTMENT OF STATE	CIT BANK, N.A.	201706230311474	06/23/2017	UCC-1	Equipment

Liens on equipment relating to that certain Agreement to Lease Equipment No. MM001-0, dated October 21, 2016, by and between Movado Group, Inc., as Lessee, and Cisco Systems Capital Corporation, as Lessor, as amended by Amendment No. 1 to Agreement to Lease Equipment No. MM001-0, dated June 23, 2017, by and between Movado Group, Inc., as Lessee, and Cisco Systems Capital Corporation, as Lessor.

SCHEDULE 7.02(b)
to
Credit Agreement

EXISTING INDEBTEDNESS

1. Indebtedness owed by a Borrower or a Subsidiary to any other Borrower or Subsidiary as of the Closing Date.

2. Bank guaranty issued by Bank Asia Limited for the account of MGI Luxury Group S.A. in the ordinary course of business in the aggregate amount of approximately CHF 34,350 as of September 5, 2018.

3. Bank guaranties issued by UBS Switzerland AG Zurich for the account of MGI Luxury Group S.A. in the ordinary course of business in the aggregate amount of approximately CHF 550,000 as of September 5, 2018.

4. Long term guarantee for local trade license with DAFZA (Dubai) in local currency value equivalent to CHF 9,465.

SCHEDULE 7.02(j)
to
Credit Agreement

EXISTING CONTINGENT OBLIGATIONS

None.

SCHEDULE 7.03
to
Credit Agreement

EXISTING INVESTMENTS

1. Investments in the Borrowers and Subsidiaries outstanding as of the Closing Date.
2. 40% Investment by MGI Luxury Group S.A. in Societe Immobiliere Rue Du Parc 153-155 S.A. (a special purpose company that owns a building in Switzerland; book value of the investment is zero).

SCHEDULE 7.08
to
Credit Agreement

TRANSACTIONS WITH AFFILIATES

None.

EXHIBIT A

Form of
Administrative Questionnaire

[Form on file with Administrative Agent]

EXHIBIT B

[Form of]
Assignment and Assumption

This Assignment and Assumption (this "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [the][each][1] Assignor identified in item 1 below ([the][each, an] "Assignor") and [the][each][2] Assignee identified in item 2 below ([the] [each, an] "Assignee"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees][3] hereunder are several and not joint.][4] Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (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][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the] [each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (a) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other Loan Documents in the amount[s] and equal to the percentage interest[s] identified below of all the outstanding rights and obligations under the respective facilities identified below (including, without limitation, the Letters of Credit and the Swingline Loans included in such facilities[5]) and (b) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other Loan Documents or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (a) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (a) and (b) above being referred to herein collectively as [the][an] "Assigned Interest"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

1. Assignor[s]:

2. Assignee[s]:

---

1 For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

2 For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

3 Select as appropriate.

4 Include bracketed language if there are either multiple Assignors or multiple Assignees.

5 Include all applicable subfacilities.

[for each Assignee, indicate [Affiliate][Approved Fund] of [identify Lender]]

3. Borrowers: MOVADO GROUP, INC., a New York corporation, MOVADO GROUP DELAWARE HOLDINGS Corporation, a Delaware corporation, MOVADO LLC, a Delaware limited liability company, MOVADO RETAIL GROUP, INC., a New Jersey corporation, MGI LUXURY GROUP S.A., a company organized and existing under the laws of Switzerland, and MOVADO WATCH COMPANY SA, a company organized and existing under the laws of Switzerland

4. Administrative Agent: BANK OF AMERICA, N.A., as the administrative agent under the Credit Agreement

5. Credit Agreement:Amended and Restated Credit Agreement, dated as of October 12, 2018 among the Borrowers, the Guarantors, the Lenders and Bank of America, N.A., as Administrative Agent, L/C Issuer, and Swingline Lender

6. Assigned Interest:

Assignor[s][6]	Assignee[s][7]	Facility Assigned[8]	Aggregate Amount of Commitment/ Loans for all Lenders[9]	Amount of Commitment/ Loans Assigned	Percentage Assigned of Commitment/ Loans[10]	CUSIP Number
			$	$	%	
			$	$	%	
			$	$	%	

[7. Trade Date:_____][11]

Effective Date: _____, 20__ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

6 List each Assignor, as appropriate.
7 List each Assignee, as appropriate.
8 Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g. "Revolving Commitment", "Term Commitment", etc.).
9 Amounts in this column and in the column immediately to the right to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
10 Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.
11 To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

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

ASSIGNOR
[NAME OF ASSIGNOR]

By:
Name:
Title:

ASSIGNEE
[NAME OF ASSIGNEE]

By:
Name:
Title:

[Consented to and][12] Accepted:

BANK OF AMERICA, N.A., as
Administrative Agent
By:
Name:
Title:

[Consented to:][13]

By:
Name:
Title:

12 To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.
13 To be added only if the consent of the Borrowers and/or other parties (e.g. Swingline Lender, L/C Issuer) is required by the terms of the Credit Agreement.

ANNEX 1 TO ASSIGNMENT AND ASSUMPTION

Standard Terms and Conditions for Assignment and Assumption

1. Representations and Warranties.

1.1. Assignor. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and 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 Borrowers, any of their respective Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrowers, any of their respective Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

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

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date.

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 fax transmission or other electronic mail transmission (e.g. "pdf" or "tif") 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.

EXHIBIT C

[Form of]
Compliance Certificate

Financial Statement Date: [_____, ____]

TO: Bank of America, N.A., as Administrative Agent

RE: Amended and Restated Credit Agreement, dated as of October 12, 2018 by and among Movado Group, Inc., a New York corporation, Movado Group Delaware Holdings Corporation, a Delaware corporation, Movado LLC, a Delaware limited liability company, Movado Retail Group, Inc., a New Jersey corporation, MGI Luxury Group S.A., a company organized and existing under the laws of Switzerland, Movado Watch Company S.A., a company organized and existing under the laws of Switzerland (collectively, the "Borrowers"), the Guarantors, the Lenders, and Bank of America, N.A., as Administrative Agent, L/C Issuer and Swingline Lender (as amended, modified, extended, restated, replaced, or supplemented from time to time, the "Credit Agreement"; capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement).

DATE: [Date]

The undersigned Responsible Officer[14] hereby certifies as of the date hereof, on behalf of the Borrowers and not in any individual capacity, that [he/she] is the [_____] of Movado Group, Inc., (the "Parent") and that, as such, [he/she] is authorized to execute and deliver this Certificate to the Administrative Agent on the behalf of the Borrowers and the other Loan Parties, and that:

[Use following paragraph 1 for fiscal year-end financial statements]

1. The Borrowers have delivered the year-end audited Consolidated financial statements required by Section 6.01(a) of the Credit Agreement for the fiscal year of the Parent ended as of the above date, together with the report and opinion of an independent certified public accountant required by such section.

[Use following paragraph 1 for fiscal quarter-end financial statements]

1. The Borrowers have delivered the unaudited Consolidated financial statements required by Section 6.01(b) of the Credit Agreement for the fiscal quarter of the Parent ended as of the above date. Such Consolidated financial statements fairly present the financial condition, results of operations, shareholders' equity and cash flows of the Parent and its Subsidiaries in accordance with GAAP as at such date and for such period, subject to normal year-end audit adjustments and the absence of footnotes.

2. The undersigned has reviewed and is familiar with the terms of the Credit Agreement and has made, or has caused to be made under [his/her] supervision, a detailed review of the transactions and condition (financial or otherwise) of the Parent and its Subsidiaries during the accounting period covered by such financial statements.

14 This certificate should be from the chief executive officer, chief financial officer, controller or treasurer of the Parent.

3. A review of the activities of the Parent and its Subsidiaries during such fiscal period has been made under the supervision of the undersigned with a view to determining whether during such fiscal period the Parent and each of the other Loan Parties performed and observed all its obligations under the Loan Documents, and

[select one:]

[to the best knowledge of the undersigned, during such fiscal period each of the Loan Parties performed and observed each covenant and condition of the Loan Documents applicable to it, and no Default has occurred and is continuing.]

—or—

[to the best knowledge of the undersigned, the following covenants or conditions have not been performed or observed and the following is a list of each such Default and its nature and status:]

4. The financial covenant analyses and information set forth on Schedule A attached hereto are true and accurate on and as of the date of this Certificate.

5. The Consolidated EBITDA as of the last day of the Measurement Period ended as of the above date was $[ ], as computed on Schedule A attached hereto in reasonable detail. The minimum Consolidated EBITDA allowed pursuant to Section 7.11(a) of the Credit Agreement is $50,00,000 and, accordingly, the Borrowers are [not] in compliance with Section 7.11(a) of the Credit Agreement.

6. The Consolidated Leverage Ratio as of the last day of the Measurement Period ended as of the above date was [__] to 1.0, as computed on Schedule A attached hereto in reasonable detail. This Consolidated Leverage Ratio is [greater than] [less than] [equal to] [0.75] [1.25] [1.75] to 1.0 and, accordingly, Level [1][2][3][4] (as set forth in the definition of "Applicable Rate") shall apply as of the first Business Day following the date hereof. The maximum Consolidated Leverage Ratio allowed pursuant to Section 7.11(b) of the Credit Agreement is 2.50 to 1.0 and, accordingly, the Borrowers are [not] in compliance with Section 7.11(b) of the Credit Agreement.

7. MGI Distribución, S de R.L. de C.V., together with its Subsidiaries (if any) did not: (a) generate 5% or more of Consolidated EBITDA during the Measurement Period ended as of the above date; (b) have total assets (including equity interests in other Subsidiaries, if any, and excluding investments that are eliminated in consolidation) equal to 5% or more of the total assets of the Parent and its Subsidiaries on a consolidated basis as of the last day of such Measurement Period; or (c) make total sales equal to 5% or more of the total sales of the Parent and its Subsidiaries on a consolidated basis during such Measurement Period.

Delivery of an executed counterpart of a signature page of this Certificate by fax transmission or other electronic mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Certificate.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

BORROWERS: MOVADO GROUP, INC.

By:
Name:
Title:

MOVADO GROUP DELAWARE HOLDINGS CORPORATION

By:
Name:
Title:

MOVADO, LLC

By:
Name:
Title:

MOVADO RETAIL GROUP, INC.

By:
Name:
Title:

MGI LUXURY GROUP S.A.

By:
Name:
Title:

By:
Name:
Title:

MOVADO WATCH COMPANY SA

By:
Name:
Title:

By:
Name:
Title:

Schedule A

Financial Statement Date: [_____, ____] ("Statement Date")

I. Consolidated EBITDA[15]

A. Consolidated Net Income for such Measurement Period $_____

1. PLUS (without duplication):

(1) Consolidated Interest Charges: $_____

2.

(2) provision for federal state local and foreign income taxes payable:

3. $_____

(3) depreciation and amortization expense: $_____

4.

(4) non-cash charges and losses (excluding any such non-cash charges or losses to the extent there were cash charges with respect to such charges and losses in past accounting periods:

5.

$_____

(5) business optimization expenses, streamlining costs, exit or disposal costs, facilities closure costs, brand exiting or discontinuance costs and other restructuring, severance or similar charges, reserves or expenses, including losses arising from the disposition of discontinued inventory or excess components and raw materials, non-recurring charges for acquisition-related expenses and non-recurring cash charges or unusual or non-recurring cash expenses and cash losses, provided that the amount added-back pursuant to this clause (5) shall not exceed $10,000,000 in any four fiscal quarter period:

6.

$_____

7. LESS (without duplication and to the extent reflected as a

8. gain or otherwise included in the calculation of Consolidated Net Income for such period)

9.

(6) Non-cash gains (excluding any such non-cash gains to the extent there were cash gains with respect to such gains in past accounting periods):

10. $_____

B. Consolidated EBITDA for the period referenced above (Item I.A plus items I.A.(1) through I.A.(5) minus Item I.A.(6)): $_____

C. Minimum Consolidated EBITDA allowed under Section 7.11(a) of the Credit Agreement:

$50,000,000

15 Please refer to Credit Agreement for complete descriptions and corresponding definitions.

D.In compliance with Section 7.11(a) of the Credit Agreement? [Yes][No]

11.

II.Consolidated Leverage Ratio[16]

A.Consolidated Funded Indebtedness for such Measurement Period:

(1)obligations for borrowed money: $_____

12.

(2)purchase money Indebtedness: $_____

13.

(3)the maximum amount available to be drawn under Letters of Credit:

14. $_____

(4)deferred purchase price obligations: $_____

15.

(5)Attributable Indebtedness: $_____

16.

(6)obligations with respect to Equity Interests: $_____

17.

(7)without duplication, all Guarantees of indebtedness of persons other than the Parent or any Subsidiary: $_____

18.

(8)Indebtedness of a type referred to above with respect to any partnership or joint venture (other than a joint venture which is itself a corporation or limited liability company) in which the Parent or Subsidiary is a general partner or joint venturer:

19.

$_____

B.Consolidated Funded Indebtedness (the sum of Items II.A.1 through II.A.8):

20. $_____

C.Consolidated EBITDA for such Measurement Period (from Item I.B above):

21. $_____

D.Consolidated Leverage Ratio (Item II.B divided by Item II.C) [__] to 1.00

22.

E.Maximum Consolidated Leverage Ratio allowed under Section 7.11(b) of the Credit Agreement:

2.50 to 1.00

F.In compliance with Section 7.11(b) of the Credit Agreement? [Yes][No]

---

[16] Please refer to Credit Agreement for complete descriptions and corresponding definitions.

EXHIBIT D

[Form of]
Joinder Agreement

THIS JOINDER AGREEMENT (this "Agreement"), dated as of [_____, ____], is by and among [_____, a _____] (the "Subsidiary Guarantor"), Movado Group, Inc., a New York corporation, Movado Group Delaware Holdings Corporation, a Delaware corporation, Movado LLC, a Delaware limited liability company, Movado Retail Group, Inc., a New Jersey corporation, MGI Luxury Group S.A., a company organized and existing under the laws of Switzerland, Movado Watch Company SA, a company organized and existing under the laws of Switzerland (collectively, the "Borrowers"), and Bank of America, N.A., in its capacity as administrative agent (in such capacity, the "Administrative Agent") under that certain Amended and Restated Credit Agreement, dated as of October 12, 2018 (as amended, modified, extended, restated, replaced, or supplemented from time to time, the "Credit Agreement"), by and among the Borrowers, the Guarantors, the Lenders, and the Administrative Agent. Capitalized terms used herein but not otherwise defined shall have the meanings provided in the Credit Agreement.

[The Subsidiary Guarantor is a Material Domestic Subsidiary, and, consequently, the Loan Parties are required by] [The Loan Parties have elected pursuant to] Section 6.13 of the Credit Agreement to cause the Subsidiary Guarantor to become a "Guarantor" thereunder.

Accordingly, the Subsidiary Guarantor and the Borrowers hereby agree as follows with the Administrative Agent, for the benefit of the Secured Parties:

1. The Subsidiary Guarantor hereby acknowledges, agrees and confirms that, by its execution of this Agreement, the Subsidiary Guarantor will be deemed to be a party to and a "Guarantor" under the Credit Agreement and shall have all of the obligations of a Guarantor thereunder as if it had executed the Credit Agreement and the other Loan Documents as a Guarantor. The Subsidiary Guarantor hereby ratifies, as of the date hereof, and agrees to be bound by, all representations and warranties, covenants and other terms, conditions and provisions of the Credit Agreement and the other applicable Loan Documents. Without limiting the generality of the foregoing terms of this Paragraph 1, the Subsidiary Guarantor hereby guarantees, jointly and severally together with the other Guarantors, the prompt payment of the Secured Obligations in accordance with Article X of the Credit Agreement.

2. Each of the Subsidiary Guarantor and the Borrowers hereby agree that all of the representations and warranties made by it contained in Article V of the Loan Agreement and each other Loan Document are (i) with respect to representations and warranties that contain a materiality qualification, true and correct on and as of the date hereof and (ii) with respect to representations and warranties that do not contain a materiality qualification, true and correct in all material respects as of the date hereof, except that the representations and warranties contained in Sections 5.05(a) and (b) shall be deemed to refer to the most recent statements furnished pursuant to Sections 6.01(a) and (b), respectively, except for such representations and warranties that relate solely to an earlier date shall be true and correct as of such earlier date (or with respect to such representations and warranties that do not contain a materiality qualification, be true and correct in all material respects as of such earlier date).

3. The Subsidiary Guarantor hereby acknowledges, agrees and confirms that, by its execution of this Agreement, the Subsidiary Guarantor will be deemed to be a party to the Security Agreement, and shall have all the rights and obligations of an "Grantor" (as such term is defined in the Security Agreement) thereunder as if it had executed the Security Agreement. The Subsidiary Guarantor hereby ratifies, as of

the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Security Agreement. Without limiting the generality of the foregoing terms of this Paragraph 3, the Subsidiary Guarantor hereby grants, pledges and assigns to the Administrative Agent, for the benefit of the Secured Parties, a continuing security interest in, and a right of set off, to the extent applicable, against any and all right, title and interest of the Subsidiary Guarantor in and to the Collateral (as such term is defined in Section 2 of the Security Agreement) of the Subsidiary Guarantor.

4. The Subsidiary Guarantor acknowledges and confirms that it has received a copy of the Credit Agreement and the schedules and exhibits thereto and each Loan Document and Collateral Document and the schedules and exhibits thereto. The information on the schedules to the Credit Agreement and the Collateral Documents are hereby supplemented (to the extent permitted under the Credit Agreement or Collateral Documents) to reflect the information shown on the attached Schedule A.

5. Each Borrower confirms that the Credit Agreement is, and upon the Subsidiary Guarantor becoming a Guarantor, shall continue to be, in full force and effect. The parties hereto confirm and agree that immediately upon the Subsidiary Guarantor becoming a Guarantor the term "Obligations," as used in the Credit Agreement, shall include all obligations of the Subsidiary Guarantor under the Credit Agreement and under each other Loan Document.

6. Each of the Borrowers and the Subsidiary Guarantor agrees that at any time and from time to time, upon the written request of the Administrative Agent, it will execute and deliver such further documents and do such further acts as the Administrative Agent may reasonably request in accordance with the terms and conditions of the Credit Agreement and the other Loan Documents in order to effect the purposes of this Agreement.

7. This Agreement 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 Agreement by fax transmission or other electronic mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement.

8. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York. The terms of Sections 11.14 and 11.15 of the Credit Agreement are incorporated herein by reference, mutatis mutandis, and the parties hereto agree to such terms.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each of the Borrowers and the Subsidiary Guarantor has caused this Agreement to be duly executed by its authorized officer, and the Administrative Agent, for the benefit of the Secured Parties, has caused the same to be accepted by its authorized officer, as of the day and year first above written.

SUBSIDIARY GUARANTOR: [SUBSIDIARY GUARANTOR]

By:
Name:
Title:

BORROWERS: MOVADO GROUP, INC.

By:
Name:
Title:

MOVADO GROUP DELAWARE HOLDINGS CORPORATION

By:
Name:
Title:

MOVADO, LLC

By:
Name:
Title:

MOVADO RETAIL GROUP, INC.

By:
Name:
Title:

MGI LUXURY GROUP S.A.

By:
Name:
Title:

By:
Name:
Title:

MOVADO WATCH COMPANY SA

By:
Name:
Title:

By:
Name:
Title:

Acknowledged, accepted and agreed:

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

By:
Name:
Title:

Schedule A

Schedules to Credit Agreement and Collateral Documents

[TO BE COMPLETED BY BORROWERS]

EXHIBIT E

[Form of]
Loan Notice

Date: **[_____, ____]**

TO: Bank of America, N.A., as Administrative Agent

RE: Amended and Restated Credit Agreement, dated as of October 12, 2018 by and among Movado Group, Inc., a New York corporation, Movado Group Delaware Holdings Corporation, a Delaware corporation, Movado LLC, a Delaware limited liability company, Movado Retail Group, Inc., a New Jersey corporation, MGI Luxury Group S.A., a company organized and existing under the laws of Switzerland, Movado Watch Company SA, a company organized and existing under the laws of Switzerland (collectively, the "Borrowers"), the Guarantors, the Lenders, and Bank of America, N.A., as Administrative Agent, L/C Issuer and Swingline Lender (as amended, modified, extended, restated, replaced, or supplemented from time to time, the "Credit Agreement"; capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement).

DATE: [Date]

The undersigned Borrower hereby requests (select one):

☐ A Borrowing of Revolving Loans

☐ A [conversion] [or] [continuation] of Revolving Loans

---

1. On (the "Credit Extension Date").

3. In the amount of [$] _____ in the following currency:_____

3. Comprised of:☐ Base Rate Loans
☐ Eurocurrency Rate Loans

4. For Eurocurrency Rate Loans: with an Interest Period of __ months.

The Revolving Borrowing requested herein complies with the proviso to the first sentence of Section 2.01 of the Credit Agreement.

The undersigned Borrower hereby represents and warrants that the conditions specified in Section 4.02 of the Credit Agreement shall be satisfied on and as of the date of the Credit Extension Date.

Delivery of an executed counterpart of a signature page of this notice by fax transmission or other electronic mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this notice.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

MOVADO GROUP, INC.
[on behalf of [_____]][17]

By:
Name:
Title:

17 Name other Borrower if Parent is signing on its behalf in accordance with Section 10.09.

EXHIBIT F

[Form of]
Permitted Acquisition Certificate

TO: Bank of America, N.A., as Administrative Agent

RE: Amended and Restated Credit Agreement, dated as of October 12, 2018 by and among Movado Group, Inc., a New York corporation, Movado Group Delaware Holdings Corporation, a Delaware corporation, Movado LLC, a Delaware limited liability company, Movado Retail Group, Inc., a New Jersey corporation, MGI Luxury Group S.A., a company organized and existing under the laws of Switzerland, Movado Watch Company SA, a company organized and existing under the laws of Switzerland (collectively, the "Borrowers"), the Guarantors, the Lenders, and Bank of America, N.A., as Administrative Agent, L/C Issuer and Swingline Lender (as amended, modified, extended, restated, replaced, or supplemented from time to time, the "Credit Agreement"; capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement).

DATE: [Date]

[Loan Party] or Subsidiary intends to make an Acquisition of [_____] (the "Target"). The undersigned Responsible Officer of Parent, hereby certifies that:

(a) The Acquisition is an acquisition of a type of business (or assets used in a type of business) permitted to be engaged in by the Parent and its Subsidiaries pursuant to the terms of the Credit Agreement.

(b) No Default exists or would exist after giving effect to the Acquisition.

(c) After giving effect to the Acquisition on a Pro Forma Basis, (i) the Loan Parties are in compliance with each of the financial covenants set forth in Section 7.11 of the Credit Agreement and (ii) the Consolidated Leverage Ratio shall be at least 0.25 to 1.0 less than the then applicable Level set forth in Section 7.11 of the Credit Agreement (in each case, as demonstrated on Schedule A attached hereto).

(d) The Loan Parties [have complied/shall comply] with Sections 6.13 and 6.14 of the Credit Agreement, to the extent required to do so thereby.

(e) Attached hereto as Schedule B is a description of the material terms of the Acquisition (including a description of the business and the form of consideration).

(f) Attached hereto as Schedule C are the due diligence package relative to the proposed Acquisition, including forecasted balance sheets, profit and loss statements, and cash flow statements of the Person to be acquired, all prepared on a basis consistent with such Person's historical financial statements, together with appropriate supporting details and a statement of underlying assumptions for the one (1) year period following the date of the proposed Acquisition, on a quarter by quarter basis.

(g) Attached hereto as Schedule D are the Consolidated projected income statements of the Parent and its Subsidiaries (giving effect to the Acquisition).

(h) The Acquisition is not a "hostile" acquisition and has been approved by the board of directors (or equivalent) and/or shareholders (or equivalents) of the applicable Loan Party and the Target.

(i) After giving effect to the Acquisition and any Borrowings made in connection therewith, the aggregate principal amount of Revolving Loans available to be borrowed under Section 2.01 of the Credit Agreement is at least $15,000,000.

(j) After giving effect to the Acquisition, the aggregate Cost of Acquisition for all Permitted Acquisitions by any Subsidiary that is not a Loan Party following the Closing Date does not exceed $75,000,000.

Delivery of an executed counterpart of a signature page of this Certificate by fax transmission or other electronic mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Certificate.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

MOVADO GROUP, INC.

By:
Name:
Title:

Schedule A

Financial Covenant Calculations

[TO BE COMPLETED BY PARENT]

Schedule B

Description of Material Terms

[TO BE COMPLETED BY PARENT]

Schedule C

Due Diligence Package

[TO BE COMPLETED BY PARENT]

Schedule D

Consolidated Projected Income Statements

[TO BE COMPLETED BY PARENT]

EXHIBIT G

[Form of]
Revolving Note

[_____, ____]

FOR VALUE RECEIVED, the undersigned (each a "Borrower" and, collectively, the "Borrowers"), hereby jointly and severally (subject to the express limitations set forth herein) promise to pay to [_____] or its registered assigns (the "Lender"), in accordance with the provisions of the Credit Agreement (as hereinafter defined), the principal amount of each Revolving Loan from time to time made by the Lender to the Borrowers under that certain Amended and Restated Credit Agreement, dated as of October 12, 2018 (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 the Borrowers, the Guarantors, the Lenders from time to time party thereto, and Bank of America, N.A., as Administrative Agent, L/C Issuer and Swingline Lender.

The Borrowers jointly and severally promise to pay interest on the unpaid principal amount of each Revolving Loan from the date of such Revolving Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Credit Agreement. Except as otherwise provided in Section 2.04(f) of the Credit Agreement with respect to Swingline Loans, all payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Credit Agreement.

This Revolving Note is one of the Revolving Notes referred to in the Credit Agreement, and the holder is entitled to the benefits thereof. Revolving Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Revolving Note and endorse thereon the date, amount and maturity of its Revolving Loans and payments with respect thereto.

Each Domestic Borrowers is and shall be jointly and severally liable for the Obligations of all of the Borrowers hereunder and under the other Loan Documents regardless of which Borrower actually borrows Loans or the amount of such Loans borrowed or the manner in which the Administrative Agent or any Lender accounts for such Loans on its books and records. Each of the Foreign Borrowers is and shall be jointly and severally liable (unless such joint and several liability (i) shall result in adverse tax consequences to any such Foreign Borrower or (ii) is not permitted by any Law applicable to such Foreign Borrower, in which either such case, the liability of such Foreign Borrower shall be several in nature) for the Obligations of all of the Foreign Borrowers hereunder and under the other Loan Documents regardless of which Foreign Borrower actually borrows Loans or the amount of such Loans borrowed or the manner in which the Administrative Agent or any Lender accounts for such Loans on its books and records. Notwithstanding anything contained to the contrary in this Note or in any other Loan Document, (A) no Foreign Borrower shall be obligated or have any liability with respect to any Obligations of the Domestic Borrowers and (B) the Obligations of each Swiss Borrower shall be limited as set forth in Section 11.25 of the Credit Agreement.

THIS NOTE IS GIVEN IN REPLACEMENT OF THE REVOLVING NOTE, DATED AS OF JANUARY 30, 2015, ISSUED BY THE COMPANY TO THE LENDER (THE "PRIOR NOTE"). THIS NOTE IS NOT INTENDED TO BE, AND SHALL NOT BE CONSTRUED TO

BE, A NOVATION OF ANY OF THE OBLIGATIONS OWING UNDER OR IN CONNECTION WITH THE PRIOR NOTE. THIS NOTE IS NOT INTENDED TO RELEASE OR TERMINATE ANY GUARANTY OR LIEN, MORTGAGE, PLEDGE OR OTHER SECURITY INTEREST IN FAVOR OF THE LENDER. ALL AMOUNTS OUTSTANDING UNDER THE PRIOR NOTE OWED BY THE BORROWER TO THE LENDER SHALL NOW BE EVIDENCED BY THIS NOTE.

Each Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Revolving Note.

Delivery of an executed counterpart of a signature page of this Revolving Note by fax transmission or other electronic mail transmission (e.g. “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this Revolving Note.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

MOVADO GROUP, INC.

By:
Name:
Title:

MOVADO GROUP DELAWARE HOLDINGS CORPORATION

By:
Name:
Title:

MOVADO, LLC

By:
Name:
Title:

MOVADO RETAIL GROUP, INC.

By:
Name:
Title:

MGI LUXURY GROUP S.A.

By:
Name:
Title:

By:
Name:
Title:

MOVADO WATCH COMPANY SA

By:
Name:
Title:

By:
Name:
Title:

EXHIBIT H

[Form of]
Secured Party Designation Notice

TO: Bank of America, N.A., as Administrative Agent

RE: Amended and Restated Credit Agreement, dated as of October 12, 2018 by and among Movado Group, Inc., a New York corporation, Movado Group Delaware Holdings Corporation, a Delaware corporation, Movado LLC, a Delaware limited liability company, Movado Retail Group, Inc., a New Jersey corporation, MGI Luxury Group S.A., a company organized and existing under the laws of Switzerland, Movado Watch Company SA, a company organized and existing under the laws of Switzerland (collectively, the "Borrowers"), the Guarantors, the Lenders, and Bank of America, N.A., as Administrative Agent, L/C Issuer and Swingline Lender (as amended, modified, extended, restated, replaced, or supplemented from time to time, the "Credit Agreement"; capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement).

DATE: [Date]

[Name of Cash Management Bank/Hedge Bank] (the "Secured Party") and the Parent hereby notify you, pursuant to the terms of the Credit Agreement, that the Secured Party meets the requirements of a [Cash Management Bank] [Hedge Bank] under the terms of the Credit Agreement and is a [Cash Management Bank] [Hedge Bank] under the Credit Agreement and the other Loan Documents.

Delivery of an executed counterpart of a signature page of this notice by fax transmission or other electronic mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this notice.

A duly authorized officer of the undersigned has executed this notice as of the day and year set forth above.

,
as a [Cash Management Bank] [Hedge Bank]

By:
Name:
Title:

MOVADO GROUP, INC.

By:
Name:
Title:

EXHIBIT I

[Form of]
Swingline Loan Notice

TO: Bank of America, N.A., as Administrative Agent and Swingline Lender

RE: Amended and Restated Credit Agreement, dated as of October 12, 2018 by and among Movado Group, Inc., a New York corporation, Movado Group Delaware Holdings Corporation, a Delaware corporation, Movado LLC, a Delaware limited liability company, Movado Retail Group, Inc., a New Jersey corporation, MGI Luxury Group S.A., a company organized and existing under the laws of Switzerland, Movado Watch Company SA, a company organized and existing under the laws of Switzerland (collectively, the "Borrowers"), the Guarantors, the Lenders, and Bank of America, N.A., as Administrative Agent, L/C Issuer and Swingline Lender (as amended, modified, extended, restated, replaced, or supplemented from time to time, the "Credit Agreement"; capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement).

DATE: [Date]

The undersigned hereby request a Swingline Loan:

1. On (the "Credit Extension Date")
2. In the amount of $.

The Swingline Borrowing requested herein complies with the requirements of the provisos contained in Section 2.04(a) of the Credit Agreement.

Each Borrower hereby represents and warrants that the conditions specified in Section 4.02 shall be satisfied on and as of the Credit Extension Date.

Delivery of an executed counterpart of a signature page of this notice by fax transmission or other electronic mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this notice.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

MOVADO GROUP, INC.

[on behalf of [_____]][18]

By:
Name:
Title:

18 Name other Borrower if Parent is signing on its behalf in accordance with Section 10.09.

EXHIBIT J

[Form of]
Officer's Certificate/ Secretary's Certificate

[LOAN PARTY]

This Officer's Certificate is delivered pursuant to Section 4.01(b) of the Amended and Restated Credit Agreement (the "Credit Agreement"), dated as of October [●], 2018, by and among Movado Group, Inc., a New York corporation, Movado Group Delaware Holdings Corporation, a Delaware corporation, Movado LLC, a Delaware limited liability company, Movado Retail Group, Inc., a New Jersey corporation, MGI Luxury Group S.A., a company organized and existing under the laws of Switzerland, Movado Watch Company SA, a company organized and existing under the laws of Switzerland, the Guarantors, the Lenders, and Bank of America, N.A., as Administrative Agent. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings ascribed to them in the Credit Agreement.

I, [NAME], do hereby certify that I am the Secretary of [LOAN PARTY], a [state] [entity type] (the "Company"), and that, as such, I am a Responsible Officer of the Company, and I am authorized to execute this certificate on behalf of the Company and do further certify that:

(ii) Attached hereto as Exhibit A are true, complete and correct copies of all resolutions adopted by the [Board of Directors] [members] [managers] [partners] of the Company authorizing the transactions contemplated by the Credit Agreement and the Loan Documents to which the Company is party, and such resolutions have not in any way been modified, repealed or rescinded, but are in full force and effect as of the date hereof, and such resolutions are the only corporate proceedings of the Company now in force relating to or affecting the matters referred to therein.

(iii) Attached hereto as Exhibit B is a list of certain persons who are duly elected and qualified officers of the Company, holding the offices indicated next to their respective names, and each such officer is a Responsible Officer of the Company. The signature appearing opposite the name of each such officer is such officer's true and genuine signature. Each such officer is fully authorized by the resolutions attached hereto as Exhibit A to execute and deliver on behalf of the Company all Loan Documents and other documents and certificates to be delivered by it pursuant to the Credit Agreement.

(iv) The [certificate of incorporation] [certificate of formation] [certificate of limited partnership] of the Company in the form attached to the Secretary's Certificate of the Company delivered to the Administrative Agent on the closing date of the Existing Credit Agreement (the "Initial Certificate") remains in full force and effect on the date hereof, and such [certificate of incorporation] [certificate of formation] [certificate of limited partnership] has not been amended, repealed, modified or restated.

(v) The [by-laws] [operating agreement] [partnership agreement] of the Company in the form attached to the Initial Certificate remains in full force and effect on the date hereof, and such [certificate of incorporation] [certificate of formation] [certificate of limited partnership] has not been amended, repealed, modified or restated.

(vi) Attached hereto as Exhibit E is a true and complete copy of a certificate of subsistence of the Company certified as of a recent date by the Secretary of State of the State of New York.

IN WITNESS WHEREOF, the undersigned, has executed this Certificate this ___ day of _____, ____.

[LOAN PARTY]

By: _____
Name:
Title:

I, _____, the _____ of the Company, hereby certify that the person named above is the duly elected, qualified and incumbent _____ of the Company and that the signature above is such _____'s true and genuine signature.

IN WITNESS WHEREOF, the undersigned, has executed this Certificate this ___ day of _____, ____.

[LOAN PARTY]

By: _____
Name:
Title:

EXHIBIT K-1

[Form of]
U.S. Tax Compliance Certificate

(For Foreign Lenders That Are Not Partnerships
For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement, dated as of October 12, 2018, by and among Movado Group, Inc., a New York corporation, Movado Group Delaware Holdings Corporation, a Delaware corporation, Movado LLC, a Delaware limited liability company, Movado Retail Group, Inc., a New Jersey corporation, MGI Luxury Group S.A., a company organized and existing under the laws of Switzerland, Movado Watch Company SA, a company organized and existing under the laws of Switzerland (the "Borrowers"), the Guarantors, the Lenders, and Bank of America, N.A., as Administrative Agent, L/C Issuer and Swingline Lender (as amended, modified, extended, restated, replaced, or supplemented from time to time, the "Credit Agreement"). Pursuant to the provisions of Section 3.01(e)(ii)(B)(3) of the Credit Agreement, the undersigned hereby certifies that (a) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (b) it is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (c) it is not a "10 percent shareholder" of any Borrower within the meaning of Section 881(c)(3)(B) of the Code, and (d) it is not a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrowers with a duly executed certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (a) if the information provided on this certificate changes, the undersigned shall promptly so inform each of the Borrowers and the Administrative Agent, and (b) the undersigned shall have at all times furnished each of the Borrowers and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF FOREIGN LENDER]

By:
Name:
Title:

Date: _____ __, ___

EXHIBIT K-2

[Form of]
U.S. Tax Compliance Certificate

(For Foreign Participants That Are Not Partnerships
For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement, dated as of October 12, 2018, by and among Movado Group, Inc., a New York corporation, Movado Group Delaware Holdings Corporation, a Delaware corporation, Movado LLC, a Delaware limited liability company, Movado Retail Group, Inc., a New Jersey corporation, MGI Luxury Group S.A., a company organized and existing under the laws of Switzerland, Movado Watch Company SA, a company organized and existing under the laws of Switzerland (the "Borrowers"), the Guarantors, the Lenders, and Bank of America, N.A., as Administrative Agent, L/C Issuer and Swingline Lender (as amended, modified, extended, restated, replaced, or supplemented from time to time, the "Credit Agreement"). Pursuant to the provisions of Section 3.01(e)(ii)(B)(4) of the Credit Agreement, the undersigned hereby certifies that (a) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (b) it is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (c) it is not a "10 percent shareholder" of any Borrower within the meaning of Section 881(c)(3)(B) of the Code, and (d) it is not a "controlled foreign corporation" as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a duly executed certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (a) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (b) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By:
Name:
Title:

Date: _____ __, ____

EXHIBIT K-3

[Form of]
U.S. Tax Compliance Certificate

(For Foreign Participants That Are Partnerships
For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement, dated as of October 12, 2018, by and among Movado Group, Inc., a New York corporation, Movado Group Delaware Holdings Corporation, a Delaware corporation, Movado LLC, a Delaware limited liability company, Movado Retail Group, Inc., a New Jersey corporation, MGI Luxury Group S.A., a company organized and existing under the laws of Switzerland, Movado Watch Company SA, a company organized and existing under the laws of Switzerland (the "Borrowers"), the Guarantors, the Lenders and Bank of America, N.A., as Administrative Agent, L/C Issuer and Swingline Lender (as amended, modified, extended, restated, replaced, or supplemented from time to time, the "Credit Agreement"). Pursuant to the provisions of Section 3.01(e)(ii)(B)(4) of the Credit Agreement, the undersigned hereby certifies that (a) it is the sole record owner of the participation in respect of which it is providing this certificate, (b) its direct or indirect partners/members are the sole beneficial owners of such participation, (c) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a "bank" extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (d) none of its direct or indirect partners/members is a "10 percent shareholder" of any Borrower within the meaning of Section 881(c)(3)(B) of the Code, and (e) none of its direct or indirect partners/members is a "controlled foreign corporation" as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a duly executed IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (a) an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or (b) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (i) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (ii) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By:
Name:
Title:

Date: _____ __, ____

EXHIBIT K-4

[Form of]
U.S. Tax Compliance Certificate

(For Foreign Lenders That Are Partnerships
For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement, dated as of October 12, 2018, by and among Movado Group, Inc., a New York corporation, Movado Group Delaware Holdings Corporation, a Delaware corporation, Movado LLC, a Delaware limited liability company, Movado Retail Group, Inc., a New Jersey corporation, MGI Luxury Group S.A., a company organized and existing under the laws of Switzerland, Movado Watch Company SA, a company organized and existing under the laws of Switzerland (the "Borrowers"), the Guarantors, the Lenders and Bank of America, N.A., as Administrative Agent, L/C Issuer and Swingline Lender (as amended, modified, extended, restated, replaced, or supplemented from time to time, the "Credit Agreement"). Pursuant to the provisions of Section 3.01(e)(ii)(B)(4) of the Credit Agreement, the undersigned hereby certifies that (a) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (b) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (c) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a "bank" extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (d) none of its direct or indirect partners/members is a "10 percent shareholder" of any Borrower within the meaning of Section 881(c)(3)(B) of the Code and (e) none of its direct or indirect partners/members is a "controlled foreign corporation" as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrowers with a duly executed IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (a) an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or (b) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (i) if the information provided on this certificate changes, the undersigned shall promptly so inform each of the Borrowers and the Administrative Agent, and (ii) the undersigned shall have at all times furnished each of the Borrowers and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By:
Name:
Title:

Date: _____ __, ___

EXHIBIT L

[Form of]
Funding Indemnity Letter

TO: Bank of America, N.A., as Administrative Agent
Lenders to the Credit Agreement (as hereinafter defined)

RE: Amended and Restated Credit Agreement, dated as of October 12, 2018 by and among Movado Group, Inc., a New York corporation, Movado Group Delaware Holdings Corporation, a Delaware corporation, Movado LLC, a Delaware limited liability company, Movado Retail Group, Inc., a New Jersey corporation, MGI Luxury Group S.A., a company organized and existing under the laws of Switzerland, Movado Watch Company SA, a company organized and existing under the laws of Switzerland (collectively, the "Borrowers"), the Guarantors, the Lenders, and Bank of America, N.A., as Administrative Agent, L/C Issuer and Swingline Lender (as amended, modified, extended, restated, replaced, or supplemented from time to time, the "Credit Agreement"; capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement).

DATE: [Date]

This letter is delivered in anticipation of the closing of the above-referenced Credit Agreement. Capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in the most recent draft of the Credit Agreement circulated to the Borrowers and the Lenders.

The Borrowers anticipate that all conditions precedent to the effectiveness of the Credit Agreement will be satisfied on October 12, 2018 (the "Effective Date"). The Borrowers wish to borrow the initial Revolving Loans described in the Loan Notice delivered in connection with this letter agreement, on the Effective Date as Eurocurrency Rate Loans (the "Effective Date Eurocurrency Rate Loans").

Each Borrower acknowledges that (a) in order to accommodate the foregoing request, the Lenders are making funding arrangements for value on the Effective Date, (b) there can be no assurance that the Credit Agreement will become effective as of the Effective Date, (c) the Lenders will not make such Effective Date Eurocurrency Rate Loans unless the Credit Agreement has been fully executed and the requirements set forth in Article IV of the Credit Agreement are satisfied (the "Funding Requirements"), and (d) if the Funding Requirements are not satisfied on or before the Effective Date, the Lenders may sustain funding losses as a result of such failure to close on such date.

In order to induce the Lenders to make the funding arrangements necessary to make the Effective Date Eurocurrency Rate Loans on the Effective Date, the Borrowers agree promptly upon demand to compensate each Lender and hold each Lender harmless from any loss, cost or expense (including the out-of-pocket costs and expenses of counsel) which such Lender may incur (a) as a consequence of any failure to (i) satisfy the Funding Requirements or (ii) borrow the Effective Date Eurocurrency Rate Loans on the Effective Date from such Lender for any reason whatsoever (including the failure of the Credit Agreement to become effective) or (b) in connection with the preparation, administration or enforcement of, or any dispute arising under, this Funding Indemnity Letter. For purposes of calculating amounts payable by the Borrowers to any Lender under this paragraph, the provisions of Section 3.05 of the Credit Agreement shall

apply as if the Credit Agreement were in effect with respect to the Effective Date Eurocurrency Rate Loans (regardless of whether the Credit Agreement ever becomes effective).

This letter agreement 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 letter agreement by fax transmission or other electronic mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this letter agreement. This letter agreement shall be governed by, and construed in accordance with, the law of the State of New York.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

MOVADO GROUP, INC.

By:
Name:
Title:

MOVADO GROUP DELAWARE HOLDINGS CORPORATION

By:
Name:
Title:

MOVADO, LLC

By:
Name:
Title:

MOVADO RETAIL GROUP, INC.

By:
Name:
Title:

MGI LUXURY GROUP S.A.

By:
Name:
Title:

By:
Name:
Title:

MOVADO WATCH COMPANY SA

By:
Name:
Title:

By:
Name:
Title:

EXHIBIT M

[Form of]
Landlord Waiver

THIS LANDLORD AGREEMENT (this "Agreement") is entered as of this [____] day of [_____, 20__] between [_____], a [_____] ("Landlord"), the owner of certain real property, buildings and improvements located in [_____], and Bank of America, N.A., in its capacity as administrative agent (the "Administrative Agent") for itself and the other lenders (the "Lenders") providing certain credit facilities pursuant to that certain Amended and Restated Credit Agreement, (as amended, modified, extended, restated, replaced, or supplemented from time to time, the "Credit Agreement"; capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement) by and among Movado Group, Inc., a New York corporation, Movado Group Delaware Holdings Corporation, a Delaware corporation, Movado LLC, a Delaware limited liability company, Movado Retail Group, Inc., a New Jersey corporation, MGI Luxury Group S.A., a company organized and existing under the laws of Switzerland, Movado Watch Company SA, a company organized and existing under the laws of Switzerland (collectively, the "Borrowers"), the guarantors from time to time party thereto (the "Guarantors" and together with the Borrowers, the "Loan Parties"), the lenders and other financial institutions from time to time party thereto, and the Administrative Agent.

Recitals:

A. The Lenders have agreed to provide the Borrowers with certain loan facilities and other financial accommodations (the "Loan Facilities") under the terms and conditions of the Credit Agreement, which Loan Facilities are guaranteed by the Guarantors. The Loan Parties have secured the repayment of the Loan Facilities and certain other obligations (collectively, defined as "Secured Obligations" in the Credit Agreement) by granting the Administrative Agent, for the ratable benefit of the Secured Parties (as defined in the Credit Agreement), a security interest in all of the Loan Parties' personal property, whether now owned or hereafter acquired, including all proceeds of any of the foregoing (collectively, the "Collateral").

B. Whereas Landlord is the lessor under the lease described in Exhibit A attached hereto (the "Lease") with [_____] (the "Tenant") as lessee pursuant to which Landlord has leased certain premises to Tenant located at [_____] (the "Premises").

C. As a condition to extending the Loan Facilities, the Lenders and the Administrative Agent have requested that the Loan Parties obtain, and cause the Landlord to provide, a waiver and subordination, pursuant to the terms of this Agreement, of all of its rights against any of the Collateral until the Facility Termination Date (as defined in the Credit Agreement).

NOW, THEREFORE, in consideration of the foregoing, and the mutual benefits accruing to the Administrative Agent and Landlord as a result of the Loan Facilities provided by the Lenders pursuant to the Credit Agreement, the sufficiency and receipt of such consideration being hereby acknowledged, the parties hereto agree as follows:

1. Landlord hereby subordinates in favor of the Administrative Agent, for the benefit of the Secured Parties, any and all rights or interests that Landlord, or its successors and assigns, may now or hereafter have in or to the Collateral, including, without limitation, any lien, claim, charge or encumbrance of any kind or nature, arising by statute, contract, common law or otherwise.

2. Landlord hereby agrees that the liens and security interests existing in favor of the Administrative Agent, for the ratable benefit of the Secured Parties, shall be prior and superior to (a) any and all rights of distraint, levy, and execution which Landlord may now or hereafter have against the Collateral, (b) any and all liens and security interests which Landlord may now or hereafter have on and in the Collateral, and (c) any and all other rights, demands and claims of every nature whatsoever which Landlord may now or hereafter have on or against the Collateral for any reason whatsoever, including, without limitation, rent, storage charge, or similar expense, cost or sum due or to become due Landlord by Tenant under the provisions of any lease, storage agreement or otherwise, and Landlord hereby subordinates all of its foregoing rights and interests in the Collateral to the security interest of the Administrative Agent in the Collateral. Landlord deems the Collateral to be personal property, not fixtures.

3. Upon the advance written notice from the Administrative Agent that an event of default has occurred and is continuing under the Credit Agreement, Landlord agrees that the Administrative Agent or its delegates or assigns may enter upon the Premises at any time or times, during normal business hours, to inspect or remove the Collateral, or any part thereof, from the Premises, without charge, either prior to or subsequent to the termination of the Lease, provided that in any event such removal shall occur no later than forty-five (45) days after the termination of the Lease. The Administrative Agent shall repair or pay reasonable compensation to Landlord for damage, if any, to the Premises caused by the removal of the Collateral. In addition to the above removal rights, the Landlord will permit the Administrative Agent to remain on the Premises for forty-five (45) days after the Administrative Agent gives the Landlord notice of its intention to do so and to take such action as the Administrative Agent deems necessary or appropriate in order to liquidate the Collateral, provided that the Administrative Agent shall pay to the Landlord the basic rent due under the Lease pro-rated on a per diem basis determined on a 30-day month (provided, that such rent shall exclude any rent adjustments, indemnity payments or similar amounts payable under the Lease for default, holdover status or similar charges).

4. Landlord represents and warrants: (a) that it has not assigned its claims for payment, if any, nor its right to perfect or assert a lien of any kind whatsoever against Tenant's Collateral; (b) that it has the right, power and authority to execute this Agreement; (c) that it holds legal title to the Premises; (d) that it is not aware of any breach or default by the Tenant of its obligations under the Lease with respect to the Premises; and (e) the Lease, together with all assignments, modifications, supplementations and amendments set forth in Exhibit A, represents, as of the date hereof, the entire agreement between the parties with respect to the lease of the Premises. Landlord further agrees to provide the Administrative Agent with prompt written notice in the event that Landlord sells the Premises or any portion thereof.

5. The Landlord shall send to the Administrative Agent (in the manner provided herein) a copy of any notice or statement sent to the Tenant by the Landlord asserting a default under the Lease. Such copy shall be sent to the Administrative Agent at the same time such notice or statement is sent to the Tenant. Notices shall be sent to the Administrative Agent by prepaid, registered or certified mail, addressed to the Administrative Agent at the following address, or such other address as the Administrative Agent shall designate to the Landlord in writing:

Bank of America, N.A., as Administrative Agent
1 Bryant Park, 32nd Floor NY1-100-32-05
New York, New York 10036
Attn: Jana Baker

6. The Landlord shall not terminate the Lease or pursue any other right or remedy under the Lease by reason of any default of the Tenant under the Lease, until the Landlord shall have given a copy of such written notice to the Administrative Agent as provided above and, in the event any such default is not

cured by the Tenant within any time period provided for under the terms and conditions of the Lease, the Landlord will allow the Administrative Agent (a) thirty (30) days from the expiration of the Tenant's cure period under the Lease within which the Administrative Agent shall have the right, but shall not be obligated, to remedy such act, omission or other default and Landlord will accept such performance by the Administrative Agent and (b) up to an additional sixty (60) days to occupy the Premises; provided that during such period of occupation the Administrative Agent shall pay to the Landlord the basic rent due under the Lease pro-rated on a per diem basis determined on a thirty (30) day month (provided that such rent shall exclude any rent adjustments, indemnity payments or similar amounts payable under the Lease for default, holdover or similar charge). The Administrative Agent shall not (a) be liable to the Landlord for any diminution in value caused by the absence of any removed Collateral or for any other matter except as specifically set forth herein or (b) have any duty or obligation to remove or dispose of any Collateral or other property left on the Premises by the Tenant.

7. The undersigned will notify all successor owners, transferees, purchasers and mortgagees of the Premises of the existence of this Agreement. The agreements contained herein may not be modified or terminated orally and shall be binding upon the successors, assigns and personal representatives of the undersigned, upon any successor owner or transferee of the Premises, and upon any purchasers, including any mortgagee, from the undersigned.

8. This Agreement shall continue in effect until the Facility Termination Date (as defined in the Credit Agreement) and any substitutions therefor, shall be binding upon the successors, assigns and transferees of Landlord, and shall inure to the benefit of the transferees of Landlord, and shall inure to the benefit of the Administrative Agent, each Secured Party and their respective successors and assigns. Landlord hereby waives notice of the Administrative Agent's acceptance of and reliance on this Agreement.

9. This Agreement 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 Agreement by fax transmission or other electronic mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement.

10. This Agreement shall be governed by, and construed and interpreted in accordance with, the law of the State of [Applicable Governing Law]. All judicial proceedings brought by the Landlord, the Administrative Agent or the Tenant with respect to this Agreement may be brought in any state or federal court of competent jurisdiction in the State of [Applicable Governing Law], and, by execution and delivery of this Agreement, each of the Landlord, Administrative Agent and the Tenant accepts, for itself and in connection with its properties, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts and irrevocably agrees to be bound by any final judgment rendered thereby in connection with this Agreement from which no appeal has been taken or is available.

11. This Agreement represents the agreement of the Landlord, Administrative Agent and the Tenant with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by the Landlord, Administrative Agent and the Tenant relative to the subject matter hereof not expressly set forth or referred to herein.

12. This Agreement may not be amended, modified or waived except by a written amendment or instrument signed by each of the Landlord, the Administrative Agent and the Tenant.

13. **WAIVER OF SPECIAL DAMAGES.** THE LANDLORD WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, ANY RIGHT THE LANDLORD MAY HAVE TO

CLAIM OR RECOVER FROM THE AGENT IN ANY LEGAL ACTION OR PROCEEDING ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

14. **JURY WAIVER.** THE LANDLORD AND THE ADMINISTRATIVE AGENT HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE BETWEEN THE LANDLORD AND THE ADMINISTRATIVE AGENT IN ANY WAY RELATED TO THIS WAIVER.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Landlord and the Administrative Agent have each caused this Agreement to be duly executed by their respective authorized representatives as of the date first above written.

_____,
as Landlord

By:
Name:
Title:

Acknowledged and Agreed:

_____, as Tenant

By:
Name:
Title:

Acknowledged and Agreed:

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

By:
Name:
Title:

Exhibit A

Lease

[TO BE ATTACHED]

EXHIBIT N

[Form of]
Financial Condition Certificate

TO: Bank of America, N.A., as Administrative Agent

RE: Amended and Restated Credit Agreement, dated as of October 12, 2018 by and among Movado Group, Inc., a New York corporation, Movado Group Delaware Holdings Corporation, a Delaware corporation, Movado LLC, a Delaware limited liability company, Movado Retail Group, Inc., a New Jersey corporation, MGI Luxury Group S.A., a company organized and existing under the laws of Switzerland, Movado Watch Company SA, a company organized and existing under the laws of Switzerland (collectively, the "Borrowers"), the Guarantors, the Lenders, and Bank of America, N.A., as Administrative Agent, L/C Issuer and Swingline Lender (as amended, modified, extended, restated, replaced, or supplemented from time to time, the "Credit Agreement"; capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement).

DATE: [Date]

Pursuant to the terms of Section 4.01 of the Credit Agreement, a Responsible Officer of Movado Group, Inc. (the "Parent") hereby certifies on behalf of the Borrowers and not in any individual capacity that, as of the date hereof, the statements below are accurate and complete in all respects.

Immediately after giving effect to the Credit Agreement, the other Loan Documents and all transactions contemplated by the Credit Agreement to occur on the Closing Date:

(a) There does not exist any action, suit, investigation or proceeding pending or, to the knowledge of the Loan Parties, threatened in any court or before any arbitrator or governmental authority that could reasonably be expected to have a Material Adverse Effect except for the Watch Tariff Matter;

(b) no Default or Event of Default exists, and

(c) all representations and warranties contained in the Credit Agreement and in the other Loan Documents (i) with respect to representations and warranties that contain a materiality qualification, are true and correct on and as of the date hereof and (ii) with respect to representations and warranties that do not contain a materiality qualification, are true and correct in all material respects on and as of the date hereof, and

(d) the Loan Parties are in pro forma compliance with each of the initial financial covenants set forth in Section 7.11 of the Credit Agreement, as demonstrated by the financial covenant calculations set forth on Schedule A attached hereto, as of the last day of the fiscal quarter ending at least twenty (20) days preceding the Closing Date**.**

Delivery of an executed counterpart of a signature page of this Certificate by fax transmission or other electronic mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Certificate.

MOVADO GROUP, INC.
a New York corporation

By:
Name:
Title:

Schedule A

Financial Statement Date: [_____, ____] ("Statement Date")

I. Consolidated EBITDA[19]

A. Consolidated Net Income for such Measurement Period $_____

23. PLUS (without duplication):

(1) Consolidated Interest Charges: $_____

24.

(2) provision for federal state local and foreign income taxes payable:

25. $_____

(3) depreciation and amortization expense: $_____

26.

(4) non-cash charges and losses (excluding any such non-cash charges or losses to the extent there were cash charges with respect to such charges and losses in past accounting periods:

27.

$_____

(5) business optimization expenses, streamlining costs, exit or disposal costs, facilities closure costs, brand exiting or discontinuance costs and other restructuring, severance or similar charges, reserves or expenses, including losses arising from the disposition of discontinued inventory or excess components and raw materials, non-recurring charges for acquisition-related expenses and non-recurring cash charges or unusual or non-recurring cash expenses and cash losses, provided that the amount added-back pursuant to this clause (5) shall not exceed $10,000,000 in any four fiscal quarter period:

28.

$_____

29. LESS (without duplication and to the extent reflected as a

30. gain or otherwise included in the calculation of Consolidated Net Income for such period)

31.

(6) Non-cash gains (excluding any such non-cash gains to the extent there were cash gains with respect to such gains in past accounting periods):

32. $_____

B. Consolidated EBITDA for the period referenced above (Item I.A plus items I.A.(1) through I.A.(5) minus Item I.A.(6)): $_____

C. Minimum Consolidated EBITDA allowed under Section 7.11(a) of the Credit Agreement:

$50,000,000

[19] Please refer to Credit Agreement for complete descriptions and corresponding definitions.

D.In compliance with Section 7.11(a) of the Credit Agreement? [Yes][No]

33.

II.Consolidated Leverage Ratio[20]

A.Consolidated Funded Indebtedness for such Measurement Period:

(1)obligations for borrowed money: $_____

34.

(2)purchase money Indebtedness: $_____

35.

(3)the maximum amount available to be drawn under Letters of Credit:

36. $_____

(4)deferred purchase price obligations: $_____

37.

(5)Attributable Indebtedness: $_____

38.

(6)obligations with respect to Equity Interests: $_____

39.

(7)without duplication, all Guarantees of indebtedness of persons other than the Parent or any Subsidiary: $_____

40.

(8)Indebtedness of a type referred to above with respect to any partnership or joint venture (other than a joint venture which is itself a corporation or limited liability company) in which the Parent or Subsidiary is a general partner or joint venturer:

41.

$_____

B.Consolidated Funded Indebtedness (the sum of Items II.A.1 through II.A.8):

42. $_____

C.Consolidated EBITDA for such Measurement Period (from Item I.B above):

43. $_____

D.Consolidated Leverage Ratio (Item II.B divided by Item II.C) [ ] to 1.00

44.

E.Maximum Consolidated Leverage Ratio allowed under Section 7.11(b) of the Credit Agreement:

2.50 to 1.00

F.In compliance with Section 7.11(b) of the Credit Agreement? [Yes][No]

---

[20] Please refer to Credit Agreement for complete descriptions and corresponding definitions.

EXHIBIT O

[Form of]
Authorization to Share Insurance Information

TO: Insurance Agent

RE: Amended and Restated Credit Agreement, dated as of October 12, 2018 by and among Movado Group, Inc., a New York corporation, Movado Group Delaware Holdings Corporation, a Delaware corporation, Movado LLC, a Delaware limited liability company, Movado Retail Group, Inc., a New Jersey corporation, MGI Luxury Group S.A., a company organized and existing under the laws of Switzerland, Movado Watch Company SA, a company organized and existing under the laws of Switzerland (collectively, the "Borrowers"), the Guarantors, the Lenders, and Bank of America, N.A., as Administrative Agent, L/C Issuer and Swingline Lender (as amended, modified, extended, restated, replaced, or supplemented from time to time, the "Credit Agreement"; capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement).

DATE: [Date]

Grantor(s): [Insert Applicable Loan Party Name(s)] (the "Grantor[s]")

Administrative Agent: Bank of America, N.A., as Administrative Agent for the Secured Parties, I.S.A.O.A., A.T.I.M.A. (the "Administrative Agent")
Attn: Insurance Department
CT2-515-BB-03
70 Batterson Park Rd
Farmington, CT 06032

Policy Number: [Insert Applicable Policy Number]

Insurance Company/Agent: [Insert Applicable Insurance Company/Agent] (the "Insurance Agent")

Insurance Company Address: [Insert Insurance Company's Address]

Insurance Company Telephone No.: [Insert Insurance Company's Telephone No.]

Insurance Company Fax No.: [Insert Insurance Company's Fax No.]

The Grantor hereby authorizes the Insurance Agent to send evidence of all insurance to the Administrative Agent, as may be reasonably requested by the Administrative Agent, together with copies of insurance policies, certificates of insurance, declarations and endorsements reasonably requested by the Administrative Agent.

Delivery of an executed counterpart of a signature page of this Certificate by fax transmission or other electronic mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Certificate.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[GRANTOR NAME],
a [Jurisdiction and Type of Organization]

By:
Name:
Title:

EXHIBIT P

[Form of]
Notice of Loan Prepayment

Date: **[_____, ____]**

TO: Bank of America, N.A., as [Administrative Agent][Swingline Lender]

RE: Amended and Restated Credit Agreement, dated as of October 12, 2018 by and among Movado Group, Inc., a New York corporation, Movado Group Delaware Holdings Corporation, a Delaware corporation, Movado LLC, a Delaware limited liability company, Movado Retail Group, Inc., a New Jersey corporation, MGI Luxury Group S.A., a company organized and existing under the laws of Switzerland, Movado Watch Company SA, a company organized and existing under the laws of Switzerland (collectively, the "Borrowers"), the Guarantors, the Lenders, and Bank of America, N.A., as Administrative Agent, L/C Issuer and Swingline Lender (as amended, modified, extended, restated, replaced, or supplemented from time to time, the "Credit Agreement"; capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement).

DATE: [Date]

The Borrowers hereby notify the Administrative Agent that on _____ pursuant to the terms of Section 2.05 (Prepayments) of the Credit Agreement, the Borrowers intend to prepay/repay the following Loans as more specifically set forth below:

☐ Optional prepayment of Revolving Loans in the following amount(s):

☐ Eurocurrency Rate Loans: $ [21]
In the following Alternative Currency: _____
Applicable Interest Period:

☐ Base Rate Loans: $ [22]

☐ Optional prepayment of Swingline Loans in the following amount:
$ [23]

Delivery of an executed counterpart of a signature page of this notice by fax transmission or other electronic mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this notice.

---

[21] Any prepayment of Eurocurrency Rate Loans denominated in Dollars shall be in a principal amount of $1,000,000 or a whole multiple of $1,000,000 in excess thereof (or if less, the entire principal amount thereof outstanding). Any prepayment of Eurocurrency Rate Loans denominated in Alternative Currencies shall be in a minimum principal amount of the Dollar Equivalent of $[1,000,000] or a whole multiple of the Dollar Equivalent of $1,000,000 in excess thereof.

[22] Any prepayment of Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof (or if less, the entire principal amount thereof outstanding).

[23] Any prepayment of Swingline Loans shall be in a principal amount of $100,000 or a whole multiple of $100,000 in excess thereof (or if less, the entire principal amount thereof outstanding).

MOVADO GROUP, INC., on behalf of the Borrowers pursuant to Section 10.09

By:
Name:
Title:

EXHIBIT Q

[Form of]
Designated Borrower Request and Assumption Agreement

TO: Bank of America, N.A., as Administrative Agent

RE: Amended and Restated Credit Agreement, dated as of October 12, 2018 by and among Movado Group, Inc., a New York corporation, Movado Group Delaware Holdings Corporation, a Delaware corporation, Movado LLC, a Delaware limited liability company, Movado Retail Group, Inc., a New Jersey corporation, MGI Luxury Group S.A., a company organized and existing under the laws of Switzerland, Movado Watch Company SA, a company organized and existing under the laws of Switzerland (collectively, the "Borrowers"), the Guarantors, the Lenders, and Bank of America, N.A., as Administrative Agent, L/C Issuer and Swingline Lender (as amended, modified, extended, restated, replaced, or supplemented from time to time, the "Credit Agreement"; capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement).

DATE: [Date]

Each of _____ (the "Designated Borrower") and the Parent hereby confirms, represents and warrants to the Administrative Agent and the Lenders that the Designated Borrower is a Subsidiary of the Parent.

The documents required to be delivered to the Administrative Agent under Section 2.18 of the Credit Agreement will be furnished to the Administrative Agent in accordance with the requirements of the Credit Agreement.

The parties hereto hereby confirm that, with effect from the date of the Designated Borrower Notice for the Designated Borrower, except as expressly set forth in the Credit Agreement, the Designated Borrower shall have obligations, duties and liabilities toward each of the other parties to the Credit Agreement and other Loan Documents identical to those which the Designated Borrower would have had if the Designated Borrower had been an original party to the Loan Documents as a Borrower. Effective as of the date of the Designated Borrower Notice for the Designated Borrower, the Designated Borrower hereby ratifies, and agrees to be bound by, all representations and warranties, covenants, and other terms, conditions and provisions of the Credit Agreement and the other applicable Loan Documents.

The parties hereto hereby request that the Designated Borrower be entitled to receive Loans under the Credit Agreement, and understand, acknowledge and agree that neither the Designated Borrower nor the Parent on its behalf shall have any right to request any Loans for its account unless and until the date five (5) Business Days after the effective date designated by the Administrative Agent in a Designated Borrower Notice delivered to the Parent and the Lenders pursuant to Section 2.18 of the Credit Agreement.

In connection with the foregoing, the Designated Borrower and the Parent hereby agree as follows with the Administrative Agent, for the benefit of the Secured Parties:

1. The Designated Borrower hereby acknowledges, agrees and confirms that, by its execution of this Designated Borrower Request and Assumption Agreement, the Designated Borrower will be deemed

to be a party to the Security Agreement, and shall have all the rights and obligations of an "Grantor" (as such term is defined in the Security Agreement) thereunder as if it had executed the Security Agreement. The Designated Borrower hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Security Agreement. Without limiting the generality of the foregoing terms of this Paragraph 1, the Designated Borrower hereby grants, pledges and assigns to the Administrative Agent, for the benefit of the Secured Parties, a continuing security interest in, and a right of set off, to the extent applicable, against any and all right, title and interest of the Designated Borrower in and to the Collateral (as such term is defined in Section 2 of the Security Agreement) of the Designated Borrower.

2. The Designated Borrower acknowledges and confirms that it has received a copy of the Credit Agreement and the schedules and exhibits thereto [and each Collateral Document and the schedules and exhibits thereto.] The information on the schedules to the Credit Agreement [and the Collateral Documents] are hereby supplemented (to the extent permitted under the Credit Agreement [or Collateral Documents)] to reflect the information shown on the attached Schedule A.

3. The Parent confirms that the Credit Agreement is, and upon the Designated Borrower becoming a party thereto, shall continue to be, in full force and effect. The parties hereto confirm and agree that immediately upon the Designated Borrower becoming a Borrower, the term "Obligations," as used in the Credit Agreement, shall include all obligations of the Designated Borrower under the Credit Agreement and under each other Loan Document.

4. Each of the Parent and the Designated Borrower agrees that at any time and from time to time, upon the written request of the Administrative Agent, it will execute and deliver such further documents and do such further acts as the Administrative Agent may reasonably request in accordance with the terms and conditions of the Credit Agreement and the other Loan Documents in order to effect the purposes of this Designated Borrower Request and Assumption Agreement.

This Designated Borrower Request and Assumption Agreement shall constitute a Loan Document under the Credit Agreement.

THIS DESIGNATED BORROWER REQUEST AND ASSUMPTION AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. The terms of Sections 11.14 and 11.15 of the Credit Agreement are incorporated herein by reference, mutatis mutandis, and the parties hereto agree to such terms.

This Designated Borrower Request and Assumption Agreement 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 Agreement by fax transmission or other electronic mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Designated Borrower Request and Assumption Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

[DESIGNATED BORROWER]

By:
Name:
Title:

[PARENT]

By:
Name:
Title:

Schedule A

Schedules to Credit Agreement and Collateral Documents

[TO BE COMPLETED BY DESIGNATED BORROWER]

EXHIBIT R

[Form of]
Designated Borrower Notice

TO: Bank of America, N.A., as Administrative Agent

RE: Amended and Restated Credit Agreement, dated as of October 12, 2018 by and among Movado Group, Inc., a New York corporation, Movado Group Delaware Holdings Corporation, a Delaware corporation, Movado LLC, a Delaware limited liability company, Movado Retail Group, Inc., a New Jersey corporation, MGI Luxury Group S.A., a company organized and existing under the laws of Switzerland, Movado Watch Company SA, a company organized and existing under the laws of Switzerland (collectively, the "Borrowers"), the Guarantors, the Lenders, and Bank of America, N.A., as Administrative Agent, L/C Issuer and Swingline Lender (as amended, modified, extended, restated, replaced, or supplemented from time to time, the "Credit Agreement"; capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement).

DATE: [Date]

The Administrative Agent hereby notifies Parent and the Lenders that effective as of the acknowledgement and acceptance of each Lender as evidenced by their signatures hereto, shall be a Designated Borrower and may receive Loans for its account on the terms and conditions set forth in the Credit Agreement.

This Designated Borrower Notice shall constitute a Loan Document under the Credit Agreement.

Delivery of an executed counterpart of a signature page of this Certificate by fax transmission or other electronic mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Certificate.

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

By:
Name:
Title:

Acknowledge & Agreed as of _____.

BANK OF AMERICA, N.A.,
as a Lender, L/C Issuer and Swingline Lender

By:
Name:
Title:

BANK LEUMI USA,
as a Lender

By:
Name:
Title:

PNC BANK, NATIONAL ASSOCIATION
as a Lender

By:
Name:
Title:

EXHIBIT 31.1

CERTIFICATIONS

I, Efraim Grinberg, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Movado Group, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 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: December 4, 2018

/s/ Efraim Grinberg
Efraim Grinberg
Chairman of the Board of Directors and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

I, Sallie A. DeMarsilis, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Movado Group, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 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: December 4, 2018

/s/ Sallie A. DeMarsilis
Sallie A. DeMarsilis
Senior Vice President,
Chief Financial Officer and
Principal Accounting Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report on Form 10-Q of Movado Group, Inc. (the "Company") for the quarter ended October 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report") the undersigned hereby certifies, in the capacity indicated below and pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(i) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 4, 2018

/s/ Efraim Grinberg

Efraim Grinberg
Chairman of the Board of Directors and Chief
Executive Officer

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report on Form 10-Q of Movado Group, Inc. (the "Company") for the quarter ended October 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report") the undersigned hereby certifies, in the capacity indicated below and pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(i) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 4, 2018

/s/ Sallie A. DeMarsilis

Sallie A. DeMarsilis
Senior Vice President,
Chief Financial Officer and
Principal Accounting Officer