FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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STANDARD MOTOR PRODUCTS, INC.

CIK:**93389**| IRS No.: **111362020** | State of Incorp.:**NY** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **001-04743** | Film No.: **241165348**
SIC: **3714** Motor vehicle parts & accessories

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

Commission file number: 001-04743

Standard Motor Products, Inc.

(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction of incorporation or organization)

11-1362020
(I.R.S. Employer Identification No.)

37-18 Northern Blvd., Long Island City, New York
(Address of principal executive offices)

11101
(Zip Code)

(718) 392-0200
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $2.00 per share	SMP	New York Stock Exchange LLC

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See 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 ☑

As of the close of business on July 30, 2024, there were 21,712,938 outstanding shares of the registrant's Common Stock, par value $2.00 per share.

STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

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PART I - FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands, except share and per share data, unaudited)	2024	2023	2024	2023
Net sales	$ 389,829	$ 353,075	$ 721,232	$ 681,103
Cost of sales	278,382	251,806	520,263	488,567
Gross profit	111,447	101,269	200,969	192,536
Selling, general and administrative expenses	83,885	73,843	158,618	143,476
Restructuring and integration expenses	2,559	294	2,751	1,206
Other income (expense), net	(17)	46	5	70
Operating income	24,986	27,178	39,605	47,924
Other non-operating income, net	2,199	802	3,018	1,027
Interest expense	2,752	3,283	4,819	7,145
Earnings from continuing operations before taxes	24,433	24,697	37,804	41,806
Provision for income taxes	6,109	6,289	9,451	10,661
Earnings from continuing operations	18,324	18,408	28,353	31,145
Loss from discontinued operations, net of income taxes	(917)	(9,221)	(1,956)	(10,001)
Net earnings	17,407	9,187	26,397	21,144
Net earnings attributable to noncontrolling interest	344	50	510	89
Net earnings attributable to SMP (a)	$ 17,063	$ 9,137	$ 25,887	$ 21,055
Net earnings (loss) attributable to SMP				
Continuing operations	$ 17,980	$ 18,358	$ 27,843	$ 31,056
Discontinued operations	(917)	(9,221)	(1,956)	(10,001)
Net earnings attributable to SMP	$ 17,063	$ 9,137	$ 25,887	$ 21,055
Per common share data				
Basic:				
Continuing operations	$ 0.83	$ 0.85	$ 1.27	$ 1.43
Discontinued operations	(0.05)	(0.43)	(0.09)	(0.46)
Net earnings attributable to SMP per common share	$ 0.78	$ 0.42	$ 1.18	$ 0.97
Diluted:				
Continuing operations	$ 0.81	$ 0.83	$ 1.25	$ 1.40
Discontinued operations	(0.04)	(0.42)	(0.09)	(0.45)
Net earnings attributable to SMP per common share	$ 0.77	$ 0.41	$ 1.16	$ 0.95
Dividend declared per common share	$ 0.29	$ 0.29	$ 0.58	$ 0.58
Weighted average number of common shares, basic	21,767,526	21,689,067	21,845,678	21,649,562
Weighted average number of common shares, diluted	22,185,536	22,183,489	22,277,590	22,139,708

(a) Throughout this Form 10-Q, “SMP” refers to Standard Motor Products, Inc. and subsidiaries.

See accompanying notes to consolidated financial statements (unaudited).

STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands, unaudited)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Net earnings	$ 17,407	$ 9,187	$ 26,397	$ 21,144
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	(3,744)	1,166	(4,968)	3,986
Derivative instruments	79	1,831	1,470	454
Pension and postretirement plans	(2)	(4)	(5)	(7)
Other comprehensive income, net of tax	(3,667)	2,993	(3,503)	4,433
Comprehensive income	13,740	12,180	22,894	25,577
Comprehensive income (loss) attributable to noncontrolling interest, net of tax:				
Net earnings	344	50	510	89
Foreign currency translation adjustments	(11)	(81)	(15)	(110)
Comprehensive income (loss) attributable to noncontrolling interest, net of tax	333	(31)	495	(21)
Comprehensive income attributable to SMP	$ 13,407	$ 12,211	$ 22,399	$ 25,598

See accompanying notes to consolidated financial statements (unaudited).

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STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data, unaudited)	June 30, 2024	December 31, 2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 26,156	$ 32,526
Accounts receivable, less allowances for discounts and expected credit losses of $8,672 and $8,045 for 2024 and 2023, respectively	239,317	160,282
Inventories	508,183	507,075
Unreturned customer inventories	18,119	18,240
Prepaid expenses and other current assets	24,880	26,100
Total current assets	816,655	744,223
Property, plant and equipment, net of accumulated depreciation of $265,904 and $259,656 for 2024 and 2023, respectively	131,921	121,872
Operating lease right-of-use assets	99,121	100,065
Goodwill	134,476	134,729
Other intangibles, net	87,597	92,308
Deferred income taxes	40,287	40,533
Investments in unconsolidated affiliates	25,615	24,050
Other assets	38,656	35,267
Total assets	$ 1,374,328	$ 1,293,047
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of term loan and other debt	$ 5,030	$ 5,029
Accounts payable	105,094	107,455
Sundry payables and accrued expenses	66,239	63,303
Accrued customer returns	53,102	38,238
Accrued core liability	16,017	18,399
Accrued rebates	54,280	42,278
Payroll and commissions	32,404	29,561
Total current liabilities	332,166	304,263
Long-term debt	203,162	151,182
Noncurrent operating lease liabilities	88,820	88,974
Other accrued liabilities	29,501	25,742
Accrued asbestos liabilities	66,357	72,013
Total liabilities	720,006	642,174
Commitments and contingencies		
Stockholders' equity:		
Common stock – par value $2.00 per share:		
Authorized – 30,000,000 shares; issued 23,936,036 shares	47,872	47,872
Capital in excess of par value	102,738	101,751
Retained earnings	586,407	573,226
Accumulated other comprehensive income	(9,462)	(5,974)
Treasury stock – at cost (2,223,698 shares and 2,018,982 shares in 2024 and 2023, respectively)	(87,537)	(81,811)
Total SMP stockholders' equity	640,018	635,064
Noncontrolling interest	14,304	15,809
Total stockholders' equity	654,322	650,873
Total liabilities and stockholders' equity	$ 1,374,328	$ 1,293,047

See accompanying notes to consolidated financial statements (unaudited).

STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands, unaudited)	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	$ 26,397	$ 21,144
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Depreciation and amortization	14,619	14,129
Amortization of deferred financing cost	240	248
Increase to allowance for expected credit losses	418	204
Increase to inventory reserves	2,907	1,600
Equity income from joint ventures	(2,207)	(943)
Employee stock ownership plan allocation	1,394	1,483
Stock-based compensation	3,049	3,633
Increase in deferred income taxes	(241)	(390)
Loss on discontinued operations, net of tax	1,956	10,001
Change in assets and liabilities:		
Increase in accounts receivable	(81,060)	(48,271)
(Increase) decrease in inventories	(3,641)	30,924
Increase (decrease) in prepaid expenses and other current assets	2,757	(468)
Increase (decrease) in accounts payable	(2,168)	4,323
Increase in sundry payables and accrued expenses	29,966	2,776
Net change in other assets and liabilities	(4,525)	(1,023)
Net cash provided by (used in) operating activities	(10,139)	39,370
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(22,941)	(9,507)
Other investing activities	18	66
Net cash used in investing activities	(22,923)	(9,441)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of term loan	(2,500)	(2,500)
Net borrowings (repayments) under revolving credit facilities	54,500	(14,000)
Net borrowings (repayments) of other debt and lease obligations	(14)	(47)
Purchase of treasury stock	(10,409)	—
Increase in overdraft balances	200	258
Dividends paid	(12,706)	(12,544)
Dividends paid to noncontrolling interest	(600)	(255)
Net cash provided by (used in) financing activities	28,471	(29,088)
Effect of exchange rate changes on cash	(1,779)	1,028
Net increase (decrease) in cash and cash equivalents	(6,370)	1,869
CASH AND CASH EQUIVALENTS at beginning of period	32,526	21,150
CASH AND CASH EQUIVALENTS at end of period	$ 26,156	$ 23,019
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	$ 5,603	$ 7,694
Income taxes	$ 6,435	$ 9,356
Noncash financing activity:		
Dividend payable to noncontrolling interest	$ 1,400	$ —

See accompanying notes to consolidated financial statements (unaudited).

STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

Three Months Ended June 30, 2024

(In thousands, unaudited)	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total SMP	Non-Controlling Interest	Total
Balance at March 31, 2024	$ 47,872	$ 102,704	$ 575,658	$ (5,806)	$ (81,278)	$ 639,150	$ 15,971	$ 655,121
Net earnings	—	—	17,063	—	—	17,063	344	17,407
Other comprehensive income (loss), net of tax	—	—	—	(3,656)	—	(3,656)	(11)	(3,667)
Cash dividends paid	—	—	(6,314)	—	—	(6,314)	—	(6,314)
Purchase of treasury stock	—	—	—	—	(7,838)	(7,838)	—	(7,838)
Dividends to noncontrolling interest	—	—	—	—	—	—	(2,000)	(2,000)
Stock-based compensation	—	34	—	—	1,579	1,613	—	1,613
Balance at June 30, 2024	$ 47,872	$ 102,738	$ 586,407	$ (9,462)	$ (87,537)	$ 640,018	$ 14,304	$ 654,322

Three Months Ended June 30, 2023

(In thousands, unaudited)	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total SMP	Non-Controlling Interest	Total
Balance at March 31, 2023	$ 47,872	$ 106,675	$ 569,899	$ (11,001)	$ (91,801)	$ 621,644	$ 11,028	$ 632,672
Net earnings	—	—	9,137	—	—	9,137	50	9,187
Other comprehensive income (loss), net of tax	—	—	—	3,074	—	3,074	(81)	2,993
Cash dividends paid	—	—	(6,283)	—	—	(6,283)	—	(6,283)
Dividends to noncontrolling interest	—	—	—	—	—	—	(255)	(255)
Stock-based compensation	—	(146)	—	—	2,247	2,101	—	2,101
Balance at June 30, 2023	$ 47,872	$ 106,529	$ 572,753	$ (7,927)	$ (89,554)	$ 629,673	$ 10,742	$ 640,415

See accompanying notes to consolidated financial statements (unaudited).

STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

Six Months Ended June 30, 2024

(In thousands, unaudited)	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total SMP	Non-Controlling Interest	Total
Balance at December 31, 2023	$ 47,872	$ 101,751	$ 573,226	$ (5,974)	$ (81,811)	$ 635,064	$ 15,809	$ 650,873
Net earnings	—	—	25,887	—	—	25,887	510	26,397
Other comprehensive income (loss), net of tax	—	—	—	(3,488)	—	(3,488)	(15)	(3,503)
Cash dividends paid	—	—	(12,706)	—	—	(12,706)	—	(12,706)
Purchase of treasury stock	—	—	—	—	(10,409)	(10,409)	—	(10,409)
Dividends to noncontrolling interest	—	—	—	—	—	—	(2,000)	(2,000)
Stock-based compensation	—	984	—	—	1,899	2,883	—	2,883
Employee Stock Ownership Plan	—	3	—	—	2,784	2,787	—	2,787
Balance at June 30, 2024	$ 47,872	$ 102,738	$ 586,407	$ (9,462)	$ (87,537)	$ 640,018	$ 14,304	$ 654,322

Six Months Ended June 30, 2023

(In thousands, unaudited)	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total SMP	Non-Controlling Interest	Total
Balance at December 31, 2022	$ 47,872	$ 105,615	$ 564,242	$ (12,470)	$ (95,239)	$ 610,020	$ 11,018	$ 621,038
Net earnings	—	—	21,055	—	—	21,055	89	21,144
Other comprehensive income (loss), net of tax	—	—	—	4,543	—	4,543	(110)	4,433
Cash dividends paid	—	—	(12,544)	—	—	(12,544)	—	(12,544)
Dividends to noncontrolling interest	—	—	—	—	—	—	(255)	(255)
Stock-based compensation	—	898	—	—	2,735	3,633	—	3,633
Employee Stock Ownership Plan	—	16	—	—	2,950	2,966	—	2,966
Balance at June 30, 2023	$ 47,872	$ 106,529	$ 572,753	$ (7,927)	$ (89,554)	$ 629,673	$ 10,742	$ 640,415

See accompanying notes to consolidated financial statements (unaudited).

STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Basis of Presentation

Standard Motor Products, Inc. and its subsidiaries (referred to hereinafter in these notes to the consolidated financial statements as "we," "us," "our," "SMP," or the "Company") is a leading manufacturer and distributor of premium replacement parts in the automotive aftermarket, and a custom-engineered solutions provider to vehicle and equipment manufacturers in diverse non-aftermarket end markets. Our automotive aftermarket is comprised of two segments, Vehicle Control and Temperature Control, while our Engineered Solutions segment offers a broad array of conventional and future-oriented technologies in markets for commercial and light vehicles, construction, agriculture, power sports, marine, hydraulics and lawn and garden. We sell our products primarily to retailers, warehouse distributors, original equipment manufacturers and original equipment service part operations in the United States, Canada, Europe, Asia, Mexico and other Latin American countries.

The accompanying unaudited financial information should be read in conjunction with the audited consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023. The unaudited consolidated financial statements include our accounts and all domestic and international companies in which we have more than a 50% equity ownership, except in instances where the minority shareholder maintains substantive participating rights, in which case we follow the equity method of accounting. In instances where we have more than a 50% equity ownership and the minority shareholder does not maintain substantive participating rights, our consolidated financial statements include the accounts of the company on a consolidated basis with its net income and equity reported at amounts attributable to both our equity position and that of the noncontrolling interest. Investments in unconsolidated affiliates are accounted for on the equity method, as we do not have a controlling financial interest but have the ability to exercise significant influence. All significant inter-company items have been eliminated.

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. The results of operations for the interim periods are not necessarily indicative of the results of operations for the entire year.

Reclassification

Certain prior period amounts in the accompanying consolidated financial statements and related notes have been reclassified to conform to the 2024 presentation.

Note 2. Summary of Significant Accounting Policies

The preparation of consolidated annual and quarterly financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of our consolidated financial statements, and the reported amounts of revenue and expenses during the reporting periods. We have made a number of estimates and assumptions in the preparation of these consolidated financial statements. We can give no assurance that actual results will not differ from those estimates. Although we do not believe that there is a reasonable likelihood that there will be a material change in the future estimates, or in the assumptions that we use in calculating the estimates, the uncertain future effects, if any, of disruptions in the supply chain caused by geo-political risks, future increases in interest rates, inflation, macroeconomic uncertainty, and other unforeseen changes in the industry, or business, could materially impact the estimates, and may have a material adverse effect on our business, financial condition and results of operations. Some of the more significant estimates include allowances for expected credit losses, cash discounts, valuation of inventory, valuation of long-lived assets, goodwill and other intangible assets, depreciation and amortization of long-lived assets, product liability exposures, asbestos, environmental and litigation matters, valuation of deferred tax assets, share based compensation and sales returns and other allowances.

STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

There have been no material changes to our critical accounting policies and estimates from the information provided in Note 1 of the notes to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2023.

Recently Issued Accounting Pronouncements

Standards not yet adopted as of June 30, 2024

Standard	Description	Effective date	Effects on the financial statements or other significant matters
ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*	ASU 2023-07 will improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses on an interim and annual basis. ASU 2023-07 expands segment disclosures by requiring disclosure of (1) significant segment expenses that are regularly provided to the chief operating decision maker ("CODM") and included within each reported measure of segment profit or loss; (2) the amount and description of the composition of other segment items to reconcile to segment profit and loss; and (3) the CODM's title and position and how the CODM uses the reported segment measures to allocate resources. Additionally, ASU 2023-07 requires interim disclosures of all reportable segment profit or loss and assets previously required annually by Topic 280.	The ASU is effective for the fiscal years beginning after December 15, 2023, which for us is December 31, 2024, and all subsequent interim periods, with full retrospective application required to all prior periods presented. Early adoption is permitted.	The new standard will require expanding our segment disclosure to include additional segment level information. We are currently evaluating the full impact of adopting ASU 2023-07 on our consolidated financial statements, disclosures, processes and controls. On an ongoing basis, we will continue to assess the impact of the new standard through our planned date of adoption of December 31, 2024.
ASU 2023-09, *Income Taxes (Topic 270): Improvements to Income Tax Disclosures*	ASU 2023-09 will improve transparency and decision making usefulness of income tax disclosures. ASU 2023-09 will expand the annual required effective income tax rate reconciliation disclosures to include (1) eight specific categories of rate reconciling items; (2) additional information for reconciling items that meet or exceed a quantitative threshold; and (3) expand the required disclosures	The ASU is effective for annual reporting periods beginning after December 15, 2024, which for us is December 31, 2025, with prospective application. Early adoption and retrospective application are permitted.	The new standard will require expanding our annual income tax disclosures in our financial statements. We are currently evaluating the full impact of adopting ASU 2023-09 on our consolidated financial statements, disclosures, processes and controls. On an ongoing basis, we will continue to assess the impact of the new standard through our planned date of adoption of December 31, 2025.

to include reconciling percentages as well as reported amounts. Additionally, the ASU 2023-09 will expand required annual disclosures of income taxes paid to include the disaggregation by federal, state and foreign jurisdictions.

STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

We have reviewed all other recently issued accounting pronouncements and concluded they were either not applicable or not expected to have a material impact on the Company's consolidated financial statements.

Note 3. Business Acquisitions and Investments

Investment in Foshan GWO YNG SMP Vehicle Climate Control & Cooling Products Co. Ltd.

In April 2014, we formed Foshan GWO YNG SMP Vehicle Climate Control & Cooling Products Co. Ltd. ("Gwo Yng"), a 50/50 joint venture with Gwo Yng Enterprise Co., Ltd., a China-based manufacturer of air conditioner accumulators, filter driers, hose assemblies and switches. We acquired our 50% interest in the joint venture for approximately $14 million. In March 2018, we acquired an additional 15% equity interest in the joint venture for Chinese yuan renminbi 26,475,583 (approximately $4.2 million), thereby increasing our equity interest in the joint venture to 65%. While we increased our equity interest in the joint venture to 65%, the minority shareholder maintained substantive participating rights that allowed it to participate in certain significant financial and operating decisions that occur in the ordinary course of business. As a result, we continued to account for our investment in the joint venture under the equity method of accounting.

In July 2023, we acquired an additional 15% equity interest in the joint venture for Chinese yuan renminbi 27,378,290 (approximately $4 million), thereby increasing our equity interest in Gwo Yng to 80%. In connection with the transaction, we amended and restated the charter documents of Gwo Yng to remove all minority shareholder substantive participating rights, giving SMP control of Gwo Yng. As a result, as of the closing date of the transaction, Gwo Yng was accounted for as a business combination achieved in stages ("a step acquisition"). Accordingly, commencing on the closing of the transaction, we reported the results of Gwo Yng on a consolidated basis with the minority ownership interest reported as a noncontrolling interest.

The following table summarizes the allocation of the total step acquisition purchase consideration to the identifiable assets acquired and liabilities assumed based on their fair values (in thousands):

Total purchase consideration (a)		$ 21,725
Assets acquired and liabilities assumed:		
Cash and cash equivalents	$ 6,779	
Receivables	5,912	
Inventory	5,945	
Other current assets	528	
Property, plant and equipment, net	2,924	
Operating lease right-of-use assets	4,372	
Intangible assets (b)	532	
Goodwill	2,208	
Long term investments and other assets	7,257	
Current liabilities	(6,004)	
Noncurrent operating lease liabilities	(3,455)	
Subtotal		26,998
Fair value of acquired noncontrolling interest		(5,273)
Total purchase consideration allocated to net assets acquired		$ 21,725

(a) Total purchase consideration is the sum of the fair value of the previously held equity investment interest in Gwo Yng of $17.7 million and the cash paid of $4 million for the acquisition of the additional 15% equity ownership interest.
(b) Intangible assets consists of customer relationships of $0.4 million and capitalized software of $0.1 million.

STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Intangible assets of $0.4 million consisting of customer relationships is amortized on a straight-line basis over the estimated useful life of 10 years. Goodwill of $2.2 million was allocated to the Temperature Control and Engineered Solutions segments in the amounts of $1.2 million and $1 million, respectively. The goodwill reflects relationships, business specific knowledge and the replacement cost of an assembled workforce associated with personal reputations

Note 4. Restructuring and Integration Expenses

Voluntary Retirement Incentive Program

During the quarter we offered a voluntary retirement incentive package of severance and other benefit enhancements to eligible employees in the United States and Canada as part of our commitment to optimizing our cost structure and providing professional development opportunities to our employees. The offer period ended on June 14, 2024. Costs primarily comprise of compensation expense and enhanced medical benefits and are charged to restructuring and integration expenses in our statement of operations as a one-time termination benefit either when the employee accepted the offer or over their remaining period of service based on the agreed retirement date. We anticipate that the Voluntary Retirement Incentive Program will be substantially complete by the end of 2027. Additional pre-tax restructuring costs related to the program are expected to be $3.1 million in the remainder of 2024, $0.4 million in 2025, and $0.1 million in 2026 for an aggregate cost of approximately $6.2 million.

Activity for the six months ended June 30, 2024 related to the voluntary retirement incentive program workforce reduction consisted of the following (in thousands):

Exit activity liability at December 31, 2023	$	—
Restructuring and integration costs:		
Amounts provided for during 2024 (a)		2,589
Stock-based compensation		166
Cash payments		(128)
Exit activity liability at June 30, 2024	$	2,627

(a) Restructuring and integration expenses incurred during the six months ended June 30, 2024 consist of $1.1 million in our Vehicle Control segment, $0.2 million in our Temperature Control segment, $0.4 million in our Engineered Solutions segment and $0.9 million in our Other segment.

Cost Reduction Initiative

During the fourth quarter of 2022, to further our ongoing efforts to improve operating efficiencies and reduce costs, we announced plans for a reduction in our sales force, and initiated plans to relocate certain product lines from our Independence, Kansas manufacturing facility and from our St. Thomas, Canada manufacturing facility to our manufacturing facilities in Reynosa, Mexico. We anticipate that the Cost Reduction Initiative will be substantially completed by the end of 2024. Additional restructuring costs related to the initiative are expected to be immaterial.

STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Activity for the six months ended June 30, 2024 related to the cost reduction initiative consisted of the following (in thousands):

	Workforce Reduction	Other Exit Costs	Total
Exit activity liability at December 31, 2023	$ 1,729	$ —	$ 1,729
Restructuring and integration costs:			
Amounts provided for during 2024 (a)	(46)	208	162
Cash payments	(949)	(208)	(1,157)
Foreign currency exchange rate changes	(24)	—	(24)
Exit activity liability at June 30, 2024	$ 710	$ —	$ 710

(a) Restructuring and integration expenses incurred during the six months ended June 30, 2024 consist of $52,000 in our Vehicle Control segment, $75,000 in our Temperature Control segment and $35,000 in our Engineered Solutions segment.

Restructuring and integration activities are included within “sundry payables and accrued expenses” and “other accrued liabilities” in the consolidated balance sheet.

Note 5. Sale of Receivables

We are party to several supply chain financing arrangements, in which we may sell certain of our customers’ trade accounts receivable to such customers’ financial institutions. We sell our undivided interests in certain of these receivables at our discretion when we determine that the cost of these arrangements is less than the cost of servicing our receivables with existing debt. Under the terms of the agreements, we retain no rights or interest, have no obligations with respect to the sold receivables, and do not service the receivables after the sale. As such, these transactions are accounted for as a sale.

Pursuant to these agreements, we sold $230.1 million and $400.9 million of receivables during the three and six months ended June 30, 2024, respectively, and $211.6 million and $382.5 million for the comparable periods in 2023. Receivables presented at financial institutions and not yet collected as of June 30, 2024 and December 31, 2023 were approximately $14.4 million and $4.5 million, respectively, and remained in our accounts receivable balance as of that date. All receivables sold were reflected as a reduction of accounts receivable in the consolidated balance sheet at the time of sale. A charge in the amount of $13.4 million and $23.4 million related to the sale of receivables was included in selling, general and administrative expense in our consolidated statements of operations for the three and six months ended June 30, 2024, respectively, and $12.4 million and $21.5 million for the comparable periods in 2023.

To the extent that these arrangements are terminated, our financial condition, results of operations, cash flows and liquidity could be adversely affected by extended payment terms, or delays or failures in collecting trade accounts receivable. The utility of the supply chain financing arrangements also depends upon a benchmark reference rate for the purpose of determining the discount rate applicable to each arrangement. If the benchmark reference rate increases significantly, we may be negatively impacted as we may not be able to pass these added costs on to our customers, which could have a material and adverse effect upon our financial condition, results of operations and cash flows.

STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Note 6. Inventories

Inventories, which are stated at the lower of cost (determined by means of the first-in, first-out method) and net realizable value, consist of the following:

	June 30, 2024	December 31, 2023
	(In thousands)	
Finished goods	$ 310,310	$ 302,557
Work in process	15,094	18,503
Raw materials	182,779	186,015
Subtotal	508,183	507,075
Unreturned customer inventories	18,119	18,240
Total inventories	$ 526,302	$ 525,315

Note 7. Acquired Intangible Assets

Acquired identifiable intangible assets consist of the following:

	June 30, 2024	December 31, 2023
	(In thousands)	
Customer relationships	$ 159,824	$ 159,641
Patents, developed technology and intellectual property	14,123	14,123
Trademarks and trade names	8,880	8,880
Non-compete agreements	3,308	3,295
Supply agreements	800	800
Leaseholds	160	160
Total acquired intangible assets	187,095	186,899
Less: Accumulated amortization (a)	(100,379)	(95,681)
Net acquired intangible assets	$ 86,716	$ 91,218

(a) Applies to all intangible assets, except for trademarks and trade names totaling $2.6 million, which have indefinite useful lives and, as such, are not being amortized.

Total amortization expense for acquired intangible assets was $2.1 million and $4.3 million for the three and six months ended June 30, 2024, respectively, and $2.1 million and $4.3 million for the comparable periods in 2023. Based on the current estimated useful lives assigned to our intangible assets, amortization expense is estimated to be $4.1 million for the remainder of 2024, $8.5 million in 2025, $8.5 million in 2026, $8.5 million in 2027 and $54.5 million in the aggregate for the years 2028 through 2041.

Note 8. Leases

We have operating and finance leases for our manufacturing facilities, warehouses, office space, automobiles, and certain equipment. Our leases have remaining lease terms of up to ten years, some of which may include one or more five-year renewal options. We have not included any of the renewal options in our operating lease payments as we concluded that it is not reasonably certain that we will exercise any of these renewal options. Leases with an initial term of twelve months or less are not recorded on the balance sheet. Operating lease expense is recognized on a straight-line basis over the lease term. Finance leases are not material.

STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The following tables provide quantitative disclosures related to our operating leases and include all operating leases acquired from the date of acquisition (in thousands):

Balance Sheet Information	**June 30, 2024**	**December 31, 2023**
Assets		
Operating lease right-of-use assets	$ 99,121	$ 100,065
Liabilities		
Sundry payables and accrued expenses	$ 17,212	$ 17,139
Noncurrent operating lease liabilities	88,820	88,974
Total operating lease liabilities	$ 106,032	$ 106,113
Weighted Average Remaining Lease Term	8.1 Years	8.3 Years
Weighted Average Discount Rate	4.9%	4.8%

	Three Months Ended June 30,		**Six Months Ended June 30,**	
Lease Expense	**2024**	**2023**	**2024**	**2023**
Lease expense	$ 4,852	$ 3,776	$ 9,672	$ 6,885
Variable and other lease expense (a)	628	511	1,408	1,283
Total lease costs	$ 5,480	$ 4,287	$ 11,080	$ 8,168

(a) Variable and other lease expense relate to non-lease components such as maintenance, property taxes, etc., and operating lease expense for leases with an initial term of 12 months or less which are not material.

	Six Months Ended June 30,	
	2024	**2023**
Supplemental Cash Flow Information		
Cash paid for the amounts included in the measurement of lease liabilities	$ 8,801	$ 5,476
Right-of-use assets obtained in exchange for new lease obligations (a)	$ 6,674	$ 30,830

(a) Includes $4.7 million of right-of-use assets related to the lease modification and extension for our manufacturing facility in Bialystok, Poland during the six months ended June 30, 2024, and $27.8 million of right-of-use assets related to the lease modification and extension for our distribution center and office in Lewisville, Texas during the six months ended June 30, 2023.

Minimum Lease Payments

At June 30, 2024, we are obligated to make minimum lease payments through 2034, under operating leases, which are as follows (in thousands):

2024	$ 9,344
2025	16,919
2026	15,554
2027	14,317
2028	12,605
Thereafter	62,086
Total lease payments	$ 130,825
Less: Interest	(24,793)
Present value of lease liabilities	$ 106,032

STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Note 9. Credit Facilities and Long-Term Debt

Total debt outstanding is summarized as follows:

	June 30, 2024	December 31, 2023
	(In thousands)	
Credit facility – term loan due 2027	$ 90,000	$ 92,500
Credit facility – revolver due 2027	118,000	63,500
Other	192	211
Total debt	$ 208,192	$ 156,211
Current maturities of debt	$ 5,030	$ 5,029
Long-term debt	203,162	151,182
Total debt	$ 208,192	$ 156,211

Term Loan and Revolving Credit Facility

In June 2022, the Company entered into a five-year Credit Agreement with JPMorgan Chase Bank, N.A., as administrative agent, and a syndicate of lenders (the “Credit Agreement”) which matures on June 1, 2027. The Credit Agreement provides for a $500 million credit facility comprised of a $100 million term loan facility (the “Term A-1 Loan”) and a $400 million multi-currency revolving credit facility available in U.S. dollars, euros, British pound sterling, Swiss francs, Canadian dollars and other currencies as agreed to by the administrative agent and the lenders (the “revolving facility”). The revolving facility has a $25 million sub-limit for the issuance of letters of credit and a $25 million sub-limit for the borrowing of swingline loans.

Borrowings under the Credit Agreement were used to repay all outstanding borrowings under the 2015 Credit Agreement, and are used for other general corporate purposes of the Company and its subsidiaries. The Term A-1 Loan amortizes in quarterly installments of 1.25% in each of the first four years, and quarterly installments of 2.5% in the fifth year. The Company may request up to two one-year extensions of the maturity date.

The Company may, upon the agreement of one or more then existing lenders or of additional lenders not currently party to the Credit Agreement, increase the revolving facility or obtain incremental term loans by an aggregate amount not to exceed (x) the greater of (i) $168 million or (ii) 100% of consolidated EBITDA (as defined in the Credit Agreement) for the four fiscal quarters ended most recently before such date, plus (y) any voluntary prepayment of term loans, plus (z) any amount that, after giving effect to the increase, the pro forma First Lien Net Leverage Ratio (as defined in the Credit Agreement) does not exceed 2.5 to 1.0.

Term loan and revolver facility borrowings in U.S. dollars bear interest, at the Company’s election, at a rate per annum equal to Term Secured Overnight Financing Rate ("SOFR") plus 0.10% plus a margin, or an alternate base rate plus a margin, where the alternate base rate is the greater of the prime rate, the federal funds effective rate plus 0.50%, and one-month Term SOFR plus 1.10%. The Term A-1 Loan was made at one-month Term SOFR. The margin for benchmark borrowings ranges from 1.0% to 2.0%, and the margin for alternate base rate borrowings ranges from 0% to 1.0%, in each case, based on the total net leverage ratio of the Company and its restricted subsidiaries. The Company may select interest periods of one, three or six months for Term SOFR borrowings. Interest is payable at the end of the selected interest period, but no less frequently than quarterly.

STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The Company's obligations under the Credit Agreement are guaranteed by its material domestic subsidiaries (each, a "Guarantor"), and secured by a first priority perfected security interest in substantially all of the existing and future personal property of the Company and each Guarantor, subject to certain exceptions. The collateral security described above also secures certain banking services obligations and interest rate swaps and currency or other hedging obligations of the Company owing to any of the then existing lenders or any affiliates thereof. The Company entered into an interest rate swap agreement with Wells Fargo Bank, N.A., Co-Syndication Agent and lender concurrently with the Credit Agreement.

Outstanding borrowings at June 30, 2024 under the Credit Agreement were $208 million, consisting of current borrowings of $5 million and long-term debt of $203 million; while outstanding borrowings at December 31, 2023 were $156 million, consisting of current borrowings of $5 million and long-term debt of $151 million. Letters of credit outstanding under the Credit Agreement were $2.3 million at both June 30, 2024 and December 31, 2023.

At June 30, 2024, the weighted average interest rate under our Credit Agreement was 5.7%, which consisted of $208 million in borrowings under Term SOFR, adjusted for the impact of the interest rate swap agreement on $100 million of borrowings. At December 31, 2023, the weighted average interest rate under our Credit Agreement was 5%, which consisted of $156 million in borrowings at 5% under Term SOFR, adjusted for the impact of the interest rate swap agreement on $100 million of borrowings. During the six months ended June 30, 2024, our average daily alternative base rate loan balance was $1 million, compared to a balance of $0.2 million for the six months ended June 30, 2023 and a balance of $0.1 million for the year ended December 31, 2023.

The Credit Agreement contains customary covenants limiting, among other things, the incurrence of additional indebtedness, the creation of liens, mergers, consolidations, liquidations and dissolutions, sales of assets, dividends and other payments in respect of equity interests, acquisitions, investments, loans and guarantees, subject, in each case, to customary exceptions, thresholds and baskets. The Credit Agreement also contains customary events of default.

In May 2024, the Company entered into Amendment No. 1 to the Credit Agreement to transition from the Canadian Dollar Offered Rate ("CDOR") to the Canadian Overnight Repo Rate Average ("CORRA") for benchmark borrowings denominated in Canadian dollars.

In July 2024, the Company entered into Amendment No. 2 to the Credit Agreement, to provide for a new $125 million term loan (the "Term A-2 Loan") and the use of funds available under the existing revolving facility to finance the acquisition of AX V Nissens III APS and its subsidiaries ("Nissens Automotive") and related transaction costs. For additional information on our agreement to acquire Nissens Automotive see Note 19, "Subsequent Event". The Term A-2 Loan matures five years after it is funded on the closing of the acquisition, and amortizes in quarterly installments of 1.25% in each of the first and second year, quarterly installments of 1.875% in the third year, and quarterly installments of 2.50% in each of the fourth and fifth year.

Polish Overdraft Facility

In November 2023, our Polish subsidiary, SMP Poland sp. z.o.o., further amended its overdraft facility with HSBC Continental Europe (Spolka Akcyjna) Oddzial w Polsce. The overdraft facility, as amended, provides for borrowings under the facility in euros and U.S. dollars. Under the amended terms, the overdraft facility provides for borrowings of up to Polish zloty 30 million (approximately $7.5 million) if borrowings are solely in Polish zloty, or up to 85% of the Polish zloty 30 million limit (approximately $6.4 million) if borrowings are in euros and/or U.S. dollars. The overdraft facility had an original maturity date in March 2024, with automatic three-month renewals until June 2027, subject to cancellation by either party, at its sole discretion, at least 30 days prior to the commencement of the three-month renewal period. The facility automatically renewed in June 2024 to a September 2024 maturity date. Borrowings under the amended overdraft facility will bear interest at a rate equal to (1) the one month Warsaw Interbank Offered Rate ("WIBOR") + 1.0% for borrowings in Polish zloty, (2) the one month Euro Interbank Offered Rate ("EURIBOR") + 1.0% for borrowings in euros, and (3) the Mid-Point of the Fed Target Range + 1.25% for borrowings in U.S. dollars. Borrowings under the overdraft facility are guaranteed by Standard Motor Products, Inc., the ultimate parent company. There were no borrowings outstanding under the overdraft facility at both June 30, 2024 and December 31, 2023.

STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Maturities of Debt

As of June 30, 2024, maturities of debt through 2027, assuming no prepayments, are as follows (in thousands):

	Revolving Credit Facility	Term A-1 Loan	Polish Overdraft Facility and Other Debt	Total
Remainder of 2024	$ —	$ 2,500	$ 14	$ 2,514
2025	—	5,000	31	5,031
2026	—	7,500	47	7,547
2027	118,000	75,000	100	193,100
Total	$ 118,000	$ 90,000	$ 192	$ 208,192
Less: current maturities	—	(5,000)	(30)	(5,030)
Long-term debt	$ 118,000	$ 85,000	$ 162	$ 203,162

Deferred Financing Costs

We have deferred financing costs related to our term loan and revolving credit facilities of approximately $1.3 million and $1.6 million as of June 30, 2024 and December 31, 2023, respectively. Deferred financing costs as of June 30, 2024, assuming no prepayments, are being amortized in the amounts of $0.2 million for the remainder of 2024, $0.5 million in 2025, $0.5 million in 2026 and $0.1 million in 2027.

Note 10. Accumulated Other Comprehensive Income Attributable to SMP

Changes in Accumulated Other Comprehensive Income by Component (in thousands)

	Three Months Ended June 30, 2024			
	Foreign Currency Translation	Unrealized derivative gains (losses)	Unrecognized Postretirement Benefit Costs (Credit)	Total
Balance at March 31, 2024	$ (10,117)	$ 4,290	$ 21	$ (5,806)
Other comprehensive income (loss) before reclassifications	(3,733)	573(a)	—	(3,160)
Amounts reclassified from accumulated other comprehensive income	—	(494)	(2)	(496)
Other comprehensive income (loss), net	(3,733)	79	(2)	(3,656)
Balance at June 30, 2024	$ (13,850)	$ 4,369	$ 19	$ (9,462)

STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

	Six Months Ended June 30, 2024			
	Foreign Currency Translation	Unrealized derivative gains (losses)	Unrecognized Postretirement Benefit Costs (Credit)	Total
Balance at December 31, 2023	$ (8,897)	$ 2,899	$ 24	$ (5,974)
Other comprehensive income (loss) before reclassifications	(4,953)	2,461(a)	—	(2,492)
Amounts reclassified from accumulated other comprehensive income	—	(991)	(5)	(996)
Other comprehensive income (loss), net	(4,953)	1,470	(5)	(3,488)
Balance at June 30, 2024	$ (13,850)	$ 4,369	$ 19	$ (9,462)

(a) Consists of the unrecognized gain relating to the change in fair value of the cash flow interest rate hedge of $0.1 million ($0.1 million, net of tax) and $2 million ($1.5 million, net of tax) in the three and six months ended June 30, 2024, respectively, and cash settlement receipts of $0.7 million ($0.5 million, net of tax) and $1.3 million ($1 million, net of tax) in the three and six months ended June 30, 2024, respectively.

Reclassifications Out of Accumulated Other Comprehensive Income (in thousands)

	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
Derivative cash flow hedge:		
Unrecognized loss (a)	$ (668)	$ (1,339)
Postretirement benefit plans:		
Unrecognized loss (b)	(4)	(9)
Total before income tax	(672)	(1,348)
Income tax benefit	(176)	(352)
Total reclassifications attributable to SMP	$ (496)	$ (996)

(a) Unrecognized accumulated other comprehensive income (loss) related to the cash flow interest rate hedge is reclassified to earnings and reported as part of interest expense in our consolidated statements of operations when the interest payments on the underlying borrowings are recognized.

(b) Unrecognized accumulated other comprehensive income (loss) related to our postretirement benefit plans is reclassified to earnings and included in the computation of net periodic postretirement benefit costs, which are included in other non-operating income, net in our consolidated statements of operations (see Note 12, “Employee Benefits,” for additional information).

Note 11. Stock-Based Compensation Plans

We account for our stock-based compensation plans in accordance with the provisions of FASB ASC 718, *Stock Compensation*, which requires that a company measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. The cost is recognized in the consolidated statement of operations over the period during which an employee is required to provide service in exchange for the award.

Restricted and Performance Stock Grants

We are authorized to issue, among other things, shares of restricted and performance-based stock to eligible employees and restricted stock to directors of up to 2,050,000 shares under the Amended and Restated 2016 Omnibus Incentive Plan ("Plan"). Shares issued under the Plan that are cancelled, forfeited or expire by their terms are eligible to be granted again under the Plan.

STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

As part of the Plan, we currently grant shares of restricted stock to eligible employees and our independent directors and performance-based shares to eligible employees. We grant eligible employees two types of restricted stock (standard restricted shares and long-term retention restricted shares). Standard restricted shares granted to employees become fully vested no earlier than three years after the date of grant. Long-term retention restricted shares granted to selected executives vest at a 25% rate on or within approximately two months of an executive reaching the ages 60 and 63, and become fully vested on or within approximately two months of an executive reaching the age 65. Restricted shares granted to directors become fully vested upon the first anniversary of the date of grant.

Performance-based shares issued to eligible employees are subject to a three-year measuring period and the achievement of performance targets and, depending upon the achievement of such performance targets, they may become vested no earlier than three years after the date of grant. Each period we evaluate the probability of achieving the applicable targets, and we adjust our accrual accordingly. Restricted shares (other than long-term retention restricted shares) and performance shares issued to certain key executives and directors are subject to a one or two year holding period upon the lapse of the vesting period. Forfeitures on stock grants are estimated at 5% for employees and 0% for executives and directors based on our evaluation of historical and expected future turnover.

Our restricted and performance-based share activity was as follows for the six months ended June 30, 2024:

	Shares	Weighted Average Grant Date Fair Value Per Share
Balance at December 31, 2023	880,976	$ 29.48
Granted	6,775	27.64
Vested	(35,609)	28.77
Forfeited	(29,225)	29.86
Balance at June 30, 2024	822,917	$ 29.48

We recorded compensation expense related to restricted shares and performance-based shares of $3 million ($2.3 million, net of tax) and $3.2 million ($2.4 million, net of tax) for the six months ended June 30, 2024 and 2023, respectively. The unrecognized compensation expense related to our restricted and performance-based shares was $9.9 million at June 30, 2024, and is expected to be recognized as they vest over a weighted average period of 3.67 years and 0.83 years for employees and directors, respectively.

Note 12. Employee Benefits

We provide certain medical and dental care benefits to 13 former U.S. union employees. The postretirement medical and dental benefit obligation to the former union employees as of June 30, 2024, and the related net periodic benefit cost for the plan for the three and six months ended June 30, 2024 and 2023 were not material.

We maintain a defined contribution Supplemental Executive Retirement Plan for key employees. Under the plan, these employees may elect to defer a portion of their compensation and, in addition, we may at our discretion make contributions to the plan on behalf of the employees. In March 2024, we made company contributions to the plan of $0.5 million related to calendar year 2023.

We also have an Employee Stock Ownership Plan and Trust for employees who are not covered by a collective bargaining agreement. In connection therewith, we maintain an employee benefits trust to which we contribute shares of treasury stock. We are authorized to instruct the trustees to distribute such shares toward the satisfaction of our future obligations under the plan. The shares held in trust are not considered outstanding for purposes of calculating earnings per share until they are committed to be released. The trustees will vote the shares in accordance with their fiduciary duties. During the six months ended June 30, 2024, we contributed to the trust an additional 68,700 shares from our treasury and released 68,700 shares from the trust leaving 200 shares remaining in the trust as of June 30, 2024.

STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Note 13. Derivative Financial Instruments

Interest Rate Swap Agreements

We occasionally use derivative financial instruments to reduce our market risk for changes in interest rates on our variable rate borrowings. The principal financial instruments used for cash flow hedging purposes are interest rate swap agreements. The interest rate swaps effectively convert a portion of our variable rate borrowings under our existing facilities to a fixed rate based upon determined notional amount. We do not enter into interest rate swap agreements, or other financial instruments, for trading or speculative purposes.

In June 2022, we entered into a seven year interest rate swap agreement with a notional amount of $100 million that is to mature in May 2029. The interest rate swap agreement has been designated as a cash flow hedge of interest payments on $100 million of borrowings under our Credit Agreement. Under the terms of the swap agreement, we will receive monthly variable interest payments based on one month Term SOFR and will pay interest based upon a fixed rate of 2.683% per annum.

The fair value of the interest rate swap agreement as of June 30, 2024 and December 31, 2023 was an asset of $5.9 million and $3.9 million, respectively, which has been deferred and recorded in accumulated other comprehensive income, net of income taxes, in our consolidated balance sheet. When the interest expense on the underlying borrowing is recognized, the deferred gain/loss in accumulated other comprehensive income is recorded in earnings as interest expense in the consolidated statements of operations. We perform quarterly hedge effectiveness assessments, and anticipate that the interest rate swap will be highly effective throughout its term.

Note 14. Fair Value Measurements

We follow a three-level fair value hierarchy that prioritizes the inputs to measure fair value. This hierarchy requires entities to maximize the use of "observable inputs" and minimize the use of "unobservable inputs." The three levels of inputs used to measure fair value are as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect assumptions that market participants would use in pricing an asset or liability.

STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The following is a summary of the estimated fair values, carrying amounts, and classification under the fair value hierarchy of our financial instruments at June 30, 2024 and December 31, 2023 (in thousands):

		June 30, 2024		December 31, 2023	
	Fair Value Hierarchy Level	Fair Value	Carrying Amount	Fair Value	Carrying Amount
Cash and cash equivalents (a)	1, 2	$ 26,156	$ 26,156	$ 32,526	$ 32,526
Deferred compensation	1	25,799	25,799	23,893	23,893
Short term borrowings	2	5,030	5,030	5,029	5,029
Long-term debt	2	203,162	203,162	151,182	151,182
Cash flow interest rate swap	2	5,926	5,926	3,939	3,939
Long-term investments	2	7,573	7,573	7,468	7,468

(a) As of June 30, 2024 cash and cash equivalents consist solely of cash of $26.2 million, which is classified as Level 1 under the fair value hierarchy. As of December 31, 2023 cash and cash equivalents consist of cash of $29.5 million and cash equivalents of $3 million, which are classified as Level 1 and Level 2, respectively, under the fair value hierarchy.

Cash equivalents consist of certificates of deposit with original maturities of three months, or less. These securities are accounted for as held-to-maturity and recorded at amortized cost, which approximates their fair values at June 30, 2024. The fair value of the underlying assets held by the deferred compensation plan are based on the quoted market prices of the underlying funds which are held by registered investment companies. The carrying value of our variable rate short-term borrowings and long-term debt under our credit facilities approximates fair value as the variable interest rates in the facilities reflect current market rates. The fair value of our cash flow interest rate swap agreement is obtained from an independent third party, is based upon market quotes, and represents the net amount required to terminate the interest rate swap, taking into consideration market rates and counterparty credit risk. Long-term investments consist of certificates of deposit with original maturities in excess of twelve months. These securities are accounted for as held-to-maturity and recorded at amortized cost, which approximates their fair values at June 30, 2024.

STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Note 15. Earnings Per Share

The following are reconciliations of the net earnings attributable to SMP and the shares used in calculating basic and dilutive net earnings per common share attributable to SMP (in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net earnings (loss) attributable to SMP				
Continuing operations	$ 17,980	$ 18,358	$ 27,843	$ 31,056
Discontinued operations	(917)	(9,221)	(1,956)	(10,001)
Net earnings attributable to SMP	$ 17,063	$ 9,137	$ 25,887	$ 21,055
Basic net earnings (loss) per common share attributable to SMP				
Continuing operations	$ 0.83	$ 0.85	$ 1.27	$ 1.43
Discontinued operations	$ (0.05)	$ (0.43)	$ (0.09)	$ (0.46)
Diluted net earnings (loss) per common share attributable to SMP				
Continuing operations	$ 0.81	$ 0.83	$ 1.25	$ 1.40
Discontinued operations	$ (0.04)	$ (0.42)	$ (0.09)	$ (0.45)
Weighted average common shares outstanding, basic	21,768	21,689	21,846	21,650
Dilutive effect of restricted stock and performance-based stock	418	494	432	490
Weighted average common shares outstanding, diluted	22,186	22,183	22,278	22,140

STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The shares listed below were not included in the computation of diluted net earnings per common share attributable to SMP because to do so would have been anti-dilutive for the periods presented or because they were excluded under the treasury method (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Restricted and performance-based shares	290	273	286	286

Note 16. Industry Segments

Our business is organized into three operating segments, *Vehicle Control, Temperature Control and Engineered Solutions,* each of which focuses on a specific line of business. Our automotive aftermarket business is comprised of two operating segments, *Vehicle Control* and *Temperature Control,* while our Engineered Solutions operating segment offers a broad array of conventional and future-oriented technologies.

The following tables show our net sales and operating income for each reportable operating segment (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net Sales (a)				
Vehicle Control	$ 188,741	$ 183,789	$ 374,265	$ 368,366
Temperature Control	124,481	97,074	196,089	169,480
Engineered Solutions	76,607	72,212	150,878	143,257
Other	—	—	—	—
Consolidated	$ 389,829	$ 353,075	$ 721,232	$ 681,103
Operating Income				
Vehicle Control	$ 15,116	$ 19,273	$ 30,656	$ 36,648
Temperature Control	13,197	5,800	15,228	7,884
Engineered Solutions	5,812	6,163	8,044	11,810
Other	(9,139)	(4,058)	(14,323)	(8,418)
Consolidated	$ 24,986	$ 27,178	$ 39,605	$ 47,924

(a) There are no intersegment sales among our Vehicle Control, Temperature Control and Engineered Solutions operating segments.

For the disaggregation of our net sales from contracts with customers by major product group and geographic area within each of our operating segments, see Note 17, “Net Sales.”

STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Note 17. Net Sales

Disaggregation of Net Sales

We disaggregate our net sales from contracts with customers by major product group and geographic area within each of our segments, as we believe it best depicts how the nature, amount, timing and uncertainty of our net sales are affected by economic factors.

Major Product Group

The Vehicle Control operating segment generates its revenues from core automotive aftermarket sales of ignition, emissions, and fuel delivery, electrical and safety, and wire sets and other product categories. The Temperature Control operating segment generates its revenue from core automotive aftermarket sales of air conditioning system components and other thermal products. The Engineered Solutions operating segment generates revenues from custom-engineered products to vehicle and equipment manufacturers in highly diversified global end-markets such as commercial and light vehicles, construction, agriculture, power sports and marine.

The following table summarizes consolidated net sales by major product group within each operating segment for the three and six months ended June 30, 2024 and 2023 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Vehicle Control				
Engine Management (Ignition, Emissions and Fuel Delivery)	$ 115,529	$ 113,589	$ 231,614	$ 229,672
Electrical and Safety	57,128	52,867	109,535	104,671
Wire Sets and Other	16,084	17,333	33,116	34,023
Total Vehicle Control	188,741	183,789	374,265	368,366
Temperature Control				
AC System Components	99,970	72,730	149,930	123,528
Other Thermal Components	24,511	24,344	46,159	45,952
Total Temperature Control	124,481	97,074	196,089	169,480
Engineered Solutions				
Commercial Vehicle	23,483	20,225	46,391	40,457
Construction/Agriculture	9,473	11,138	19,549	22,830
Light Vehicle	24,686	23,981	46,489	47,000
All Other	18,965	16,868	38,449	32,970
Total Engineered Solutions	76,607	72,212	150,878	143,257
Other	—	—	—	—
Total	$ 389,829	$ 353,075	$ 721,232	$ 681,103

Geographic Area

We sell our line of products primarily in the United States, with additional sales in Canada, Mexico, Europe, Asia and Latin America. Sales are attributed to countries based upon the location of the customer. Our sales are substantially denominated in U.S. dollars.

STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The following tables provide disaggregation of net sales information by geographic area within each operating segment for the three and six months ended June 30, 2024 and 2023 (in thousands):

Three months ended June 30, 2024	Vehicle Control	Temperature Control	Engineered Solutions	Other	Total
United States	$ 167,899	$ 117,632	$ 40,949	$ —	$ 326,480
Canada	8,681	6,585	8,497	—	23,763
Europe	261	35	13,878	—	14,174
Mexico	10,795	4	2,723	—	13,522
Asia	27	154	9,644	—	9,825
Other foreign	1,078	71	916	—	2,065
Total	$ 188,741	$ 124,481	$ 76,607	$ —	$ 389,829

Three months ended June 30, 2023	Vehicle Control	Temperature Control	Engineered Solutions	Other	Total
United States	$ 165,198	$ 92,099	$ 44,565	$ —	$ 301,862
Canada	8,834	4,926	6,126	—	19,886
Europe	248	—	14,914	—	15,162
Mexico	8,179	18	2,038	—	10,235
Asia	88	—	4,273	—	4,361
Other foreign	1,242	31	296	—	1,569
Total	$ 183,789	$ 97,074	$ 72,212	$ —	$ 353,075

Six months ended June 30, 2024	Vehicle Control	Temperature Control	Engineered Solutions	Other	Total
United States	$ 332,720	$ 182,297	$ 81,403	$ —	$ 596,420
Canada	17,839	13,217	16,679	—	47,735
Europe	544	51	28,084	—	28,679
Mexico	20,815	9	4,930	—	25,754
Asia	128	295	18,205	—	18,628
Other foreign	2,219	220	1,577	—	4,016
Total	$ 374,265	$ 196,089	$ 150,878	$ —	$ 721,232

Six months ended June 30, 2023	Vehicle Control	Temperature Control	Engineered Solutions	Other	Total
United States	$ 331,610	$ 161,670	$ 88,771	$ —	$ 582,051
Canada	17,164	7,681	11,364	—	36,209
Europe	446	—	29,998	—	30,444
Mexico	16,766	18	3,806	—	20,590
Asia	150	20	8,327	—	8,497
Other foreign	2,230	91	991	—	3,312
Total	$ 368,366	$ 169,480	$ 143,257	$ —	$ 681,103

Note 18. Commitments and Contingencies

Asbestos

In 1986, we acquired a brake business, which we subsequently sold in March 1998 and which is accounted for as a discontinued operation in the accompanying statement of operations. When we originally acquired this brake business, we assumed future liabilities relating to any alleged exposure to asbestos-containing products manufactured by the seller of the acquired brake business. In accordance with the related purchase agreement, we agreed to assume the liabilities for all new claims filed on or after September 2001. Our ultimate exposure will depend upon the number of claims filed against us on or after September 2001, and the amounts paid for

settlements, awards of asbestos-related damages, and defense of such claims. At June 30, 2024, approximately 1,500 cases were outstanding for which we may be responsible for any related liabilities. Since inception in September 2001 through June 30, 2024, the amounts paid for settled claims and awards of asbestos-related damages, including interest, were approximately $80.3 million. We do not have insurance coverage for the indemnity and defense costs associated with the claims we face.

STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

In evaluating our potential asbestos-related liability, we have considered various factors including, among other things, an actuarial study of the asbestos related liabilities performed by an independent actuarial firm, our settlement amounts and whether there are any co-defendants, the jurisdiction in which lawsuits are filed, and the status and results of such claims. As is our accounting policy, we consider the advice of actuarial consultants with experience in assessing asbestos-related liabilities to estimate our potential claim liability; and perform an actuarial evaluation in the third quarter of each year and whenever events or changes in circumstances indicate that additional provisions may be necessary. The methodology used to project asbestos-related liabilities and costs in our actuarial study considered: (1) historical data available from publicly available studies; (2) an analysis of our recent claims history to estimate likely filing rates into the future; (3) an analysis of our pending claims; (4) an analysis of our settlements and awards of asbestos-related damages to date; and (5) an analysis of closed claims with pay ratios and lag patterns in order to develop average future settlement values. Based on the information contained in the actuarial study and all other available information considered by us, we have concluded that no amount within the range of settlement payments and awards of asbestos-related damages was more likely than any other and, therefore, in assessing our asbestos liability we compare the low end of the range to our recorded liability to determine if an adjustment is required.

In accordance with our policy to perform an annual actuarial evaluation in the third quarter of each year, an actuarial study was performed as of August 31, 2023. The results of the August 31, 2023 study included an estimate of our undiscounted liability for settlement payments and awards of asbestos-related damages, excluding legal costs, ranging from $84 million to $135.3 million for the period through 2065. The change from the prior year study, which was as of August 31,2022, was a $15.2 million increase for the low end of the range and a $23.7 million increase for the high end of the range. The increase in the estimated undiscounted liability from the prior year study at both the low end and high end of the range reflects our actual experience, our historical data and certain assumptions with respect to events that may occur in the future.

Based upon the results of the August 31, 2023 actuarial study, in September 2023 we increased our asbestos liability to $84 million, the low end of the range, and recorded an incremental pre-tax provision of $23.8 million in earnings (loss) from discontinued operations in the accompanying statement of operations. Future legal costs, which are expensed as incurred and reported in earnings (loss) from discontinued operations in the accompanying statement of operations, are estimated, according to the August 31, 2023 study, to range from $53.1 million to $105.2 million for the period through 2065. Total operating cash outflows related to discontinued operations, which include settlements, awards of asbestos-related damages and legal costs, net of taxes, were $5.2 million and $4.5 million for the six months ended June 30, 2024 and 2023, respectively.

We plan to perform an annual actuarial evaluation during the third quarter of each year for the foreseeable future and whenever events or changes in circumstances indicate that additional provisions may be necessary. Given the uncertainties associated with projecting such matters into the future and other factors outside our control, we can give no assurance that additional provisions will not be required. We will continue to monitor events and changes in circumstances surrounding these potential liabilities in determining whether to perform additional actuarial evaluations and whether additional provisions may be necessary. At the present time, however, we do not believe that any additional provisions would be reasonably likely to have a material adverse effect on our liquidity or consolidated financial position.

STANDARD MOTOR PRODUCTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Other Litigation

We are currently involved in various other legal claims and legal proceedings (some of which may involve substantial amounts), including claims related to commercial disputes, product liability, employment, and environmental. Although these legal claims and legal proceedings are subject to inherent uncertainties, based on our understanding and evaluation of the relevant facts and circumstances, we believe that the ultimate outcome of these matters will not, either individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations. We may at any time determine that settling any of these matters is in our best interests, which settlement may include substantial payments. Although we cannot currently predict the specific amount of any liability that may ultimately arise with respect to any of these matters, we will record provisions when the liability is considered probable and reasonably estimable. Significant judgment is required in both the determination of probability and the determination as to whether an exposure can be reasonably estimated. As additional information becomes available, we reassess our potential liability related to these matters. Such revisions of the potential liabilities could have a material adverse effect on our business, financial condition or results of operations.

Warranties

We generally warrant our products against certain manufacturing and other defects. These product warranties are provided for specific periods of time of the product depending on the nature of the product. The accrued product warranty costs are based primarily on historical experience of actual warranty claims and included in accrued customer returns.

The following table provides the changes in our product warranties (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Balance, beginning of period	$ 23,092	$ 20,600	$ 21,134	$ 19,667
Liabilities accrued for current year sales	37,003	30,047	65,680	55,840
Settlements of warranty claims	(32,552)	(27,061)	(59,271)	(51,921)
Balance, end of period	$ 27,543	$ 23,586	$ 27,543	$ 23,586

Note 19. Subsequent Event

In July 2024, we entered into an agreement to acquire Nissens Automotive, for €360 million (approximately $388 million) in cash, subject to adjustment at closing. We expect to fund the entire purchase price and related transaction costs with borrowings under our Credit Agreement. For additional information on our Credit Agreement see Note 9, “Credit Facilities and Long-Term Debt”. The transaction is expected to be completed by the end of 2024, subject to regulatory approval and customary closing requirements.

Nissens Automotive is a leading European manufacturer and distributor of aftermarket engine cooling and air conditioning products with a growing array of vehicle control technologies. Nissens Automotive is headquartered in Denmark, with manufacturing facilities in Slovakia and Denmark, and warehouses and distribution centers across multiple countries, primarily in Europe. Nissens Automotive employs approximately 530 employees worldwide.

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

This Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements in this Report are indicated by words such as "anticipates," "expects," "believes," "intends," "plans," "estimates," "projects," "strategies" and similar expressions. These statements represent our expectations based on current information and assumptions and are inherently subject to risks and uncertainties. Our actual results could differ materially from those which are anticipated or projected as a result of certain risks and uncertainties, including, but not limited to, changes or loss in business relationships with our major customers and in the timing, size and continuation of our customers' programs; changes in our supply chain financing arrangements, such as changes in terms, termination of contracts and/or the impact of rising interest rates; the ability of our customers to achieve their projected sales; competitive product and pricing pressures; increases in production or material costs, including procurement costs resulting from higher tariffs, and inflationary cost increases in raw materials, labor and transportation, that cannot be recouped in product pricing; the performance of the automotive aftermarket and/or other end-markets that we supply; changes in the product mix and distribution channel mix; economic and market conditions; successful integration of acquired businesses; our ability to achieve benefits from our cost savings initiatives; product liability matters (including, without limitation, those related to asbestos-related contingent liabilities); the effects of disruptions in the supply chain caused by geopolitical risks; as well as other risks and uncertainties, such as those described under Risk Factors, Quantitative and Qualitative Disclosures About Market Risk and those detailed herein and from time to time in the filings of the Company with the SEC. Forward-looking statements are made only as of the date hereof, and the Company undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise. In addition, historical information should not be considered as an indicator of future performance. The following discussion should be read in conjunction with the unaudited consolidated financial statements, including the notes thereto, included elsewhere in this Report.

Overview

We are a leading manufacturer and distributor of premium replacement parts in the automotive aftermarket and a custom-engineered solutions provider to vehicle and equipment manufacturers in diverse non-aftermarket end markets. Our business is organized into three operating segments. Our automotive aftermarket business is comprised of two segments, *Vehicle Control* and *Temperature Control*, while our *Engineered Solutions Segment* offers a broad array of conventional and future-oriented technologies. We sell our products primarily to retailers, warehouse distributors, original equipment manufacturers and original equipment service part operations in the United States, Canada, Europe, Asia, Mexico and other Latin America countries.

Our *Vehicle Control* operating segment services our core automotive aftermarket customers, deriving its sales from three major product groups:– (1) *Ignition, Emissions & Fuel Delivery*, which includes the traditional internal combustion engine (ICE) dependent categories; (2) *Electrical & Safety*, which includes powertrain neutral vehicle technologies such as electrical switches/relays, safety related products such as anti-lock brake and vehicle speed sensors, tire pressure monitoring, park assist sensors, and advanced driver assistance components; and (3) *Wire Sets & Other*, which includes spark plug wire sets and other related products, and are product categories we have noted to be in secular decline based upon product life cycle.

Our *Temperature Control* operating segment services our core automotive aftermarket customers with thermal products, and is poised to benefit from the broader adoption of air conditioning and other thermal systems. These systems will provide passenger comfort regardless of the vehicles' powertrain, and are being developed to cool batteries and other products used on electric vehicles. Segment offerings include sales from thermal products in the aftermarket business under two major product groups:– (1) *AC System Components,* which includes compressors, connecting lines, heat exchangers, and expansion devices; and (2) *Other Thermal Component*s, which includes parts that provide engine, transmission, electric drive motor, and battery temperature management.

Our *Engineered Solutions* operating segment supplies custom-engineered solutions to vehicle and equipment manufacturers in highly diversified global end-markets such as commercial and light vehicles, construction, agriculture, power sports and marine. Segment offerings include product categories that offer a broad array of conventional and future-oriented technologies, including those that are specific to vehicle electrification as well as those that are powertrain-neutral.

Overview of Financial Performance

The following discussion should be read in conjunction with our consolidated financial statements and the notes thereto. This discussion summarizes the significant factors affecting our results of operations and the financial condition of our business during the three months ended June 30, 2024 and 2023.

(In thousands, except per share data)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023
Net sales	$ 389,829	$ 353,075
Gross profit	111,447	101,269
Gross profit %	28.6%	28.7%
Operating income	24,986	27,178
Operating income %	6.4%	7.7%
Earnings from continuing operations before income taxes	24,433	24,697
Provision for income taxes	6,109	6,289
Earnings from continuing operations	18,324	18,408
Loss from discontinued operations, net of income taxes	(917)	(9,221)
Net earnings	17,407	9,187
Net earnings attributable to noncontrolling interest	344	50
Net earnings attributable to SMP	17,063	9,137
Per share data attributable to SMP – Diluted:		
Earnings from continuing operations	$ 0.81	$ 0.83
Discontinued operations	(0.04)	(0.42)
Net earnings per common share	$ 0.77	$ 0.41

Consolidated net sales for the three months ended June 30, 2024 were $389.8 million, an increase of $36.7 million, or 10.4%, compared to net sales of $353.1 million in the same period in 2023. Net sales increased in all our operating segments, when compared to the comparable period in the prior year.

The increase in net sales in the three months ended June 30, 2024 when compared to the comparable period in the prior year reflects the impact of multiple factors including:

- stable demand in the automotive aftermarket business across our major product groups,
- warmer year-over-year weather conditions along with the timing of early season customer orders in our Temperature Control operating segment in 2024, and
- strong customer demand in our Engineered Solutions operating segment with successful results from our cross-selling efforts.

Gross margins as a percentage of net sales decreased very slightly to 28.6% in the second quarter of 2024 compared to 28.7% in the second quarter of 2023. The gross margin percentage in our Temperature Control segment increased year-over-year, while the gross margin percentage decreased in both our Vehicle Control and Engineered Solutions segments. The gross margin percentage increase in our Temperature Control segment results from the impact of higher sales volumes, customer mix and the impact of cost control measures, while the gross margin percentage decrease in our Vehicle Control segment reflects the lingering inflationary increase in material and labor costs. Although Engineered Solutions' gross margin percentages improved from levels reported in the first quarter of 2024, the Engineered Solutions' gross margin percentage continued to be negatively impacted by inflationary cost increases. While we anticipate continued margin pressure resulting from inflationary headwinds, we believe that our annual cost savings initiatives coupled with customer pricing should help to offset this impact to our gross margins.

Operating margin as a percentage of net sales for the three months ended June 30, 2024 decreased to 6.4% as compared to 7.7% for the same period in 2023. Included in our operating margin were selling, general and administrative expenses of $83.9 million, or 21.5% of net sales for the three months ended June 30, 2024 compared to $73.8 million, or 20.9% of net sales, for the same period in 2023. The $10.1 million increase in selling, general and administrative expenses in the second quarter of 2024 as compared to the second quarter of 2023 is principally due to (1) $2.4 million of due diligence, legal and other professional fees related to our planned acquisition of Nissens Automotive, (2) increased rent and incremental expenses of approximately $1.3 million as we transition away from our Edwardsville, Kansas distribution center to our new distribution facility in Shawnee, Kansas, (3) higher interest related costs of $0.9 million incurred in our supply chain financing arrangements, and (4) higher distribution and freight costs of $3.1 million related to higher sales.

Overall, our core automotive aftermarket business remains stable, and we continue to be optimistic about the long-term growth potential of the complementary markets served in our Engineered Solutions operating segment.

New Distribution Facility in Shawnee, Kansas

In May 2023, we signed a lease for a new distribution facility in Shawnee, Kansas with a lease commencement date of July 1, 2023. The new facility will expand our total distribution network square footage to meet our growing demands in the automotive aftermarket industry. The new 575,000 square foot facility will replace our current 363,000 square foot facility in Edwardsville, Kansas, and integrate state-of-the-art technologies to deliver improved logistics capabilities, operational efficiencies, as well as enhanced employee, customer and supplier experiences. The new facility is located just five miles away from our Edwardsville facility, enabling us to retain our existing workforce avoiding the additional costs of hiring and training. The facility will have a phased opening that began in 2024 and will be fully operational in early 2025. We will incur additional costs in 2024 and 2025 during the phase-in period while we operate the two facilities.

Voluntary Retirement Incentive Program

During the second quarter of 2024, as part of our commitment to optimize our cost structure and provide professional development opportunities to our employees, we offered a voluntary incentive package of severance and other benefit enhancements to eligible employees in the United States and Canada. The offer period ended on June 14, 2024. During the second quarter of 2024 we recorded expenses of $2.6 million, with additional expenses to be recorded of approximately $3.1 million in the remainder of 2024, $0.4 million in 2025, and $0.1 million in 2026 for an aggregate cost of approximately $6.2 million. It is anticipated that the voluntary retirement incentive program will reduce operating expenses beginning in the second half of 2024. Expenses incurred pursuant to the program are recorded in restructuring and integration expenses in our statement of operations.

We continue to look for opportunities to reduce our operating cost structure to remain competitive while continuing to grow our business.

Impact of Global Supply Chain Disruption and Inflation

Disruptions in the global economy have impeded global supply chains, resulted in longer lead times and delays in procuring component parts and raw materials, and resulted in inflationary cost increases in certain raw materials, labor and transportation. In response to the global supply chain volatility and inflationary cost increases, we have taken, and continue to take, several actions to mitigate the impact by working closely with our suppliers and customers to minimize any potential adverse impacts on our business, including implementing cost savings initiatives and the pass through of higher costs to our customers in the form of price increases, and maintaining inventory at levels to minimize potential disruptions from out-of-stock raw materials and components to ensure higher fill rates with our customers. We believe that we have also benefited from our geographically diversified manufacturing footprint and our strategy to bring more product manufacturing in-house, especially with respect to product availability and fill rates. We expect these inflationary trends to continue for some time, and while we believe that we will be able to somewhat offset the impact, there can be no assurances that unforeseen future events in the global supply chain affecting the availability of materials and components, and/or increasing commodity pricing, will not have an adverse effect on our business, financial condition and results of operations.

Sustainability

Our Company was founded in 1919 on the values of integrity, common decency and respect for others. These values are embodied in our Code of Ethics, which has been adopted by the Board of Directors of the Company to serve as a statement of principles to guide our decision-making and reinforce our commitment to these values in all aspects of our business. These values also serve as the foundation for our continued focus on many important sustainability issues.

We have made significant strides with respect to our sustainability initiatives, building awareness of the environmental impact of our operations, and challenging ourselves to reduce our impact by reducing our usage of energy and water, reducing our generation of waste, increasing our recycling efforts and reducing our Scope 1 and Scope 2 greenhouse gas emissions. Additionally, we believe our product offering contributes to a greener car parc through several key product categories that are critical components in automotive systems designed to improve fuel economy and reduce harmful emissions, such as fuel injectors, exhaust gas recirculation valves, sensors and tubes, and evaporative emission control system components. We also bring to market alternative energy products, which utilize cleaner burning fuels or are designed for electric or hybrid electric vehicles, and we remanufacture key categories within our product portfolio, such as air conditioning compressors, diesel injectors and diesel pumps, through processes that save energy and reduce waste.

With each year, we intend to further our commitment to sustainability initiatives, improving our environmental stewardship, finding ways to give back to our communities, and enhancing the diversity and inclusion of our workforce while offering opportunities for development. Information on our sustainability initiatives can be found in our most current sustainability report and on our corporate website at *ir.smpcorp.com* under “Sustainability” and at *smpcares.smpcorp.com.* Information in our sustainability report and on our corporate websites regarding our sustainability initiatives are referenced for general information only and are not incorporated by reference in this Report.

Interim Results of Operations

Comparison of the Three Months Ended June 30, 2024 to the Three Months Ended June 30, 2023

Sales. Consolidated net sales for the three months ended June 30, 2024 were $389.8 million, an increase of $36.7 million, or 10.4%, compared to $353.1 million in the same period of 2023, with the majority of our net sales to customers located in the United States. Net sales increased in all our operating segments, when compared to the comparable period in the prior year.

The following table summarizes consolidated net sales by segment and by major product group within each segment for the three months ended June 30, 2024 and 2023 (in thousands):

	Three Months Ended June 30,	
	2024	**2023**
Vehicle Control		
Engine Management (Ignition, Emissions and Fuel Delivery)	$ 115,529	$ 113,589
Electrical and Safety	57,128	52,867
Wire Sets and Other	16,084	17,333
Total Vehicle Control	188,741	183,789
Temperature Control		
AC System Components	99,970	72,730
Other Thermal Components	24,511	24,344
Total Temperature Control	124,481	97,074
Engineered Solutions		
Commercial Vehicle	23,483	20,225
Construction/Agriculture	9,473	11,138
Light Vehicle	24,686	23,981
All Other	18,965	16,868
Total Engineered Solutions	76,607	72,212
Other	—	—
Total	$ 389,829	$ 353,075

Vehicle Control's net sales for the three months ended June 30, 2024 increased $4.9 million, or 2.7%, to $188.7 million compared to $183.8 million in the same period of 2023. Demand in the Vehicle Control aftermarket segment remains relatively stable across our major product groups.

Temperature Control's net sales for the three months ended June 30, 2024 increased $27.4 million, or 28.2%, to $124.5 million compared to $97.1 million in the same period of 2023. Temperature Control's net sales for the second quarter of 2024 reflects the impact of the timing of early season customer orders in 2024 as compared to the second quarter of 2023. The strong customer orders in the second quarter of 2024 reflects the impact of a warm start to the season, while the lower Temperature Control net sales in the second quarter of 2023 reflected the impact of a cooler start to the season across key markets. Overall, full year results at Temperature Control will be dependent upon summer weather conditions and customer inventory levels.

Engineered Solutions' net sales for the three months ended June 30, 2024 increased $4.4 million, or 6.1%, to $76.6 million compared to $72.2 million in the same period of 2023. Overall, net sales in our Engineered Solutions operating segment showed year-over-year improvement driven by strong demand with successful results from our cross-selling efforts.

Gross Margins. Gross margins, as a percentage of consolidated net sales, decreased very slightly to 28.6% in the second quarter of 2024, compared to 28.7% in the second quarter of 2023. The following table summarizes gross margins by segment for the three months ended June 30, 2024 and 2023, respectively (in thousands):

Three Months Ended June 30,	Vehicle Control	Temperature Control	Engineered Solutions	Other	Total
2024					
Net sales	$ 188,741	$ 124,481	$ 76,607	$ —	$ 389,829
Gross margins	59,969	36,609	14,869	—	111,447
Gross margin percentage	31.8%	29.4%	19.4%	—	28.6%
2023					
Net sales	$ 183,789	$ 97,074	$ 72,212	$ —	$ 353,075
Gross margins	60,109	26,512	14,648	—	101,269
Gross margin percentage	32.7%	27.3%	20.3%	—	28.7%

Compared to the second quarter of 2023, gross margins at Vehicle Control decreased 0.9 percentage points from 32.7% to 31.8%, gross margins at Temperature Control increased 2.1 percentage points from 27.3% to 29.4%, and gross margins at Engineered Solutions decreased 0.9 percentage points from 20.3% to 19.4%.

The gross margin percentage decrease in our Vehicle Control operating segment reflects the impact of the lingering inflationary increases in material and labor costs, which more than offset the positive impact of increased pricing and saving initiatives. The gross margin percentage increase in our Temperature Control operating segment reflects the impact of higher sales volumes, customer mix and the impact of cost control measures. Gross margins as a percentage of net sales in our Engineered Solutions operating segment decreased in the second quarter of 2024 when compared to the comparable period in 2023 driven primarily by inflationary cost increases. While we anticipate continued margin pressure resulting from inflationary headwinds, we believe that our annual cost savings initiatives coupled with our ability to pass through higher prices to our customers should help to offset much of this impact to our gross margins.

Selling, General and Administrative Expenses. Selling, general and administrative expenses were $83.9 million, or 21.5% of consolidated net sales, in the second quarter of 2024, as compared to $73.8 million, or 20.9% of consolidated net sales, in the second quarter of 2023. The $10.1 million increase in selling, general and administrative expenses as compared to the second quarter of 2024 is principally due to (1) $2.4 million of due diligence, legal and other professional fees related to our planned acquisition of Nissens Automotive, (2) increased rent and incremental expenses of approximately $1.3 million as we transition away from our Edwardsville, Kansas distribution center to our new distribution facility in Shawnee, Kansas, (3) higher interest related costs of $0.9 million incurred in our supply chain financing arrangements, and (4) higher distribution and freight costs of $3.1 million related to higher sales.

Restructuring and Integration Expenses. Restructuring and integration expenses were $2.6 million for the three months ended June 30, 2024 compared to $0.3 million in the same period of 2023. Restructuring and integration expenses incurred in the second quarter of 2024 relate primarily to a voluntary retirement incentive program offered to eligible employees as part of our commitment to optimizing our cost structure and providing professional development opportunities to our employees. Expenses in the second quarter of 2024 of approximately $2.6 million related to the program consists of severance and other benefit enhancements.

Restructuring and integration expenses of $0.3 million in the second quarter of 2023 relate to the Cost Reduction Initiative announced in the fourth quarter of 2024. We anticipate that the Cost Reduction Initiative will be substantially completed by the end of 2024.

Operating Income. Operating income was $25 million, or 6.4% of consolidated net sales, in the second quarter of 2024, compared to $27.2 million, or 7.7% of consolidated net sales, in the second quarter of 2023. The year-over-year decrease in operating income of $2.2 million is primarily the result of slightly lower gross margins as a percentage of net sales, higher selling, general and administrative expenses, including incremental distribution expansion costs and due diligence, legal and other professional fees related to our planned acquisition of Nissens Automotive, and higher restructuring and integration expenses, offset, in part, by the impact of higher net sales.

Other Non-Operating Income, Net. Other non-operating income, net was $2.2 million in the second quarter of 2024, compared to $0.8 million in the second quarter of 2023. The year-over-year increase in other non-operating income, net results from the increase in year-over-year equity income from our joint ventures and the favorable impact of changes in foreign currency exchange rates. Equity income from our joint ventures increased irrespective of the year-over-year decline in the equity income of Gwo Yng, reflecting the impact of our acquisition of an additional 15% equity interest in Gwo Yng in July 2023. Commencing on the date of our equity interest increase, the financial results of Gwo Yng were no longer accounted for under the equity method of accounting. Instead, Gwo Yng's financial results are reported on a consolidated basis, resulting in lower joint venture equity income. As such, other non-operating income, net includes equity income of Gwo Yng of $0.4 million in the second quarter of 2023.

Interest Expense. Interest expense decreased to $2.8 million in the second quarter of 2024, compared to $3.3 million in the second quarter of 2023. The year-over-year decrease in interest expense reflects the impact of lower average outstanding borrowings in second quarter of 2024 when compared to the second quarter of 2023.

Income Tax Provision. The income tax provision in the second quarter of 2024 was $6.1 million at an effective tax rate of 25.0% compared to $6.3 million at an effective tax rate of 25.5% for the same period in 2023. The effective tax rate was essentially flat year-over-year.

Loss from Discontinued Operations. During the second quarter of 2024 and 2023, the loss from discontinued operations, net of tax was $0.9 million and $9.2 million, respectively. Loss from discontinued operations, net of income tax, reflects legal expenses and other costs associated with our asbestos-related liability. During the second quarter of 2023, we recorded an $11 million pre-tax provision that arose from the May 11, 2023 court ruling in a breach of contract claim in connection with a legal proceeding with a third party. As discussed more fully in Note 18, "Commitments and Contingencies" in the notes to our consolidated financial statements (unaudited), we are responsible for certain future liabilities relating to alleged exposure to asbestos containing products.

Net Earnings Attributable to Noncontrolling Interest. Net earnings attributable to noncontrolling interest relates to the minority shareholders' interest in our 70% owned joint venture in Hong Kong, with operations in Shanghai and Wuxi, China ("Trombetta Asia, Ltd.") and, in our 80% ownership in Gwo Yng, commencing in July 2023 upon the completion of our step acquisition. Net earnings attributable to the noncontrolling interest were $344,000 and $50,000 during the three months ended June 30, 2024 and 2023, respectively.

Comparison of the Six Months Ended June 30, 2024 to the Six Months Ended June 30, 2023

Sales. Consolidated net sales for the six months ended June 30, 2024 were $721.2 million, an increase of $40.1 million, or 5.9%, compared to $681.1 million in the same period of 2023, with the majority of our net sales to customers in the United States. Net sales increased in all our operating segments when compared to the comparable period in the prior year.

The following table summarizes consolidated net sales by segment and by major product group within each segment for the six months ended June 30, 2024 and 2023 (in thousands):

	Six Months Ended June 30,	
	2024	**2023**
Vehicle Control		
Engine Management (Ignition, Emissions and Fuel Delivery)	$ 231,614	$ 229,672
Electrical and Safety	109,535	104,671
Wire Sets and Other	33,116	34,023
Total Vehicle Control	374,265	368,366
Temperature Control		
AC System Components	149,930	123,528
Other Thermal Components	46,159	45,952
Total Temperature Control	196,089	169,480
Engineered Solutions		
Commercial Vehicle	46,391	40,457
Construction/Agriculture	19,549	22,830
Light Vehicle	46,489	47,000
All Other	38,449	32,970
Total Engineered Solutions	150,878	143,257
Other	—	—
Total	$ 721,232	$ 681,103

Vehicle Control's net sales for the six months ended June 30, 2024 increased $5.9 million, or 1.6%, to $374.3 million compared to $368.4 million in the same period of 2023. Demand in the Vehicle Control aftermarket segment remains relatively stable across our major product groups.

Temperature Control's net sales for the six months ended June 30, 2024 increased $26.6 million, or 15.7%, to $196.1 million compared to $169.5 million in the same period of 2023. Temperature Control's net sales for the first six months of 2024 reflect the impact of the timing of pre and early season customer orders in 2024 as compared to the first six months of 2023, and the impact of strong second quarter 2024 net sales when compared to the comparable prior period. The strong net sales in the second quarter of 2024 reflects the impact of a warm start to the season compared to lower net sales in the second quarter of 2023 resulting from the impact of a cooler start to the season across all markets. Overall, full year results at Temperature Control will be dependent upon summer weather conditions and customer inventory levels.

Engineered Solutions' net sales for the six months ended June 30, 2024 increased $7.6 million, or 5.3%, to $150.9 million compared to $143.3 million in the same period of 2023. Overall, net sales in our Engineered Solutions operating segment showed a year-over-year improvement driven by strong demand with successful results from our cross-selling efforts.

Gross Margins. Gross margins, as a percentage of consolidated net sales, decreased to 27.9% in the first six months of 2024, compared to 28.3% during the same period in 2023. The following table summarizes gross margins by segment for the six months ended June 30, 2024 and 2023, respectively (in thousands):

Six Months Ended June 30,	Vehicle Control	Temperature Control	Engineered Solutions	Other	Total
2024					
Net sales	$ 374,265	$ 196,089	$ 150,878	$ —	$ 721,232
Gross margins	118,868	56,298	25,803	—	200,969
Gross margin percentage	31.8%	28.7%	17.1%	—	27.9%
2023					
Net sales	$ 368,366	$ 169,480	$ 143,257	$ —	$ 681,103
Gross margins	118,581	45,667	28,288	—	192,536
Gross margin percentage	32.2%	26.9%	19.7%	—	28.3%

Compared to the first six months of 2023, gross margins at Vehicle Control decreased 0.4 percentage points from 32.2% to 31.8%, gross margins at Temperature Control increased 1.8 percentage points from 26.9% to 28.7%, and gross margins at Engineered Solutions decreased 2.6 percentage points from 19.7% to 17.1%.

The gross margin percentage decrease in our Vehicle Control operating segment reflects the impact of the lingering inflationary increases in material and labor costs, which more than offset the positive impact of pricing and saving initiatives. The gross margin percentage increase in our Temperature Control operating segment reflects the impact of higher sales volumes, customer mix and the impact of cost control measures. Gross margins as a percentage of net sales in our Engineered Solutions operating segment decreased in the second quarter of 2024 when compared to the comparable period in 2023 driven primarily by unfavorable customer sales mix and inflationary cost increases. While we anticipate continued margin pressure resulting from inflationary headwinds, we believe that our annual cost savings initiatives coupled with our ability to pass through higher prices to our customers should help to offset much of this impact to our gross margins.

Selling, General and Administrative Expenses. Selling, general and administrative expenses were $158.6 million, or 22.0% of consolidated net sales, in the first six months of 2024, as compared to $143.5 million, or 21.1% of consolidated net sales in the first six months of 2023. The $15.1 million increase in selling, general and administrative expenses as compared to the first six months of 2023 is principally due to (1) $2.3 million of due diligence, legal and other professional fees related to our planned acquisition of Nissens Automotive, (2) increased rent and incremental expenses of approximately $2.4 million as we transition away from our Edwardsville, Kansas distribution center to our new distribution facility in Shawnee, Kansas, (3) higher interest related costs of $1.9 million incurred in our supply chain financing arrangements and (4) higher distribution and freight costs of $5.4 million related to higher sales.

Restructuring and Integration Expenses. Restructuring and integration expenses were $2.8 million in the six months ended June 30, 2024 compared to $1.2 million in the comparable period of 2023. Restructuring and integration expenses incurred in the first six months of 2024 relate primarily to a voluntary retirement incentive program offered to eligible employees as part of our commitment to optimizing our cost structure and provide professional development opportunities to our employees. Expenses in the first six months of 2024 of approximately $2.6 million related to the program consists of severance and other benefit enhancements.

Restructuring and integration expenses of $1.2 million in the six months ended June 30, 2023 relate to the Cost Reduction Initiative announced in the fourth quarter of 2024. We anticipate that the Cost Reduction Initiative will be substantially completed by the end of 2024.

Operating Income. Operating income was $39.6 million, or 5.5% of consolidated net sales, in the six months ended June 30, 2024, compared to $47.9 million, or 7% of consolidated net sales, in the six months ended June 30, 2023. The year-over-year decrease in operating income of $8.3 million is primarily the result of lower gross margins as a percentage of net sales, higher selling, general and administrative expenses, including the incremental distribution expansion costs and due diligence, legal and other professional fees related to our planned acquisition of Nissens Automotive, and higher restructuring and integration expenses, offset, in part, by the impact of higher net sales.

Other Non-Operating Income, Net. Other non-operating income, net was $3 million in the six months of 2024, compared to $1 million for the same period in 2023. The year-over-year increase in other non-operating income, net results from the increase in year-over-year equity income from our joint ventures and the favorable impact of changes in foreign currency exchange rates. Equity income from our joint ventures increased irrespective of the year-over-year decline in the equity income of Gwo Yng, reflecting the impact of our acquisition of an additional 15% equity interest in Gwo Yng in July 2023. Commencing on the date of our equity interest increase, the financial results of Gwo Yng were no longer accounted for under the equity method of accounting. Instead, Gwo Yng's financial results are reported on a consolidated basis. As such, other non-operating income, net includes equity income of Gwo Yng of $0.6 million in the first six months of 2023.

Interest Expense. Interest expense decreased to $4.8 million in the six months of 2024, compared to $7.1 million for the same period in 2023. The year-over-year decrease in interest expense reflects the impact of lower average outstanding borrowings during the six months ended June 30, 2024 when compared to the comparable period of 2023.

Income Tax Provision. The income tax provision for the six months ended June 30, 2024 was $9.5 million at an effective tax rate of 25.0%, compared to $10.7 million at an effective tax rate of 25.5% for the same period in 2023. The effective tax rate was essentially flat year-over-year.

Loss from Discontinued Operations. During the first six months of 2024 and 2023, the loss from discontinued operations, net of tax was $2 million and $10 million, respectively. Loss from discontinued operations, net of income tax, reflects legal expenses and other costs associated with our asbestos-related liability. During the first six months of 2023, we recorded an $11 million pre-tax provision that arose from the May 11, 2023 court ruling in a breach of contract claim in connection with a legal proceeding with a third party. As discussed more fully in Note 18, "Commitments and Contingencies" in the notes to our consolidated financial statements (unaudited), we are responsible for certain future liabilities relating to alleged exposure to asbestos containing products.

Net Earnings Attributable to Noncontrolling Interest. Net earnings attributable to noncontrolling interest relates to the minority shareholders' interest in our 70% owned joint venture in Hong Kong, with operations in Shanghai and Wuxi, China ("Trombetta Asia, Ltd.") and, in our 80% ownership in Gwo Yng, commencing in July 2023 upon the completion of our step acquisition. Net earnings attributable to the noncontrolling interest were $510,000 and $89,000 during the six months ended June 30, 2024 and 2023, respectively.

Restructuring and Integration Programs

For a detailed discussion on the restructuring and integration costs, see Note 4, "Restructuring and Integration Expenses," of the notes to our consolidated financial statements (unaudited).

Liquidity and Capital Resources

Our primary cash requirements include working capital, capital expenditures, regular quarterly dividends, stock repurchases, principal and interest payments on indebtedness and acquisitions. The following table summarizes our primary sources of funds including ongoing net cash flows from operating activities and availability under our Credit Agreement.

	June 30,		December 31,
(In thousands)	2024	2023	2023
Operating cash flows	$ (10,139)	$ 39,370	$ 144,260
Total debt	$ 208,192	$ 223,216	$ 156,211
Cash	26,156	23,019	32,526
Net debt	$ 182,036	$ 200,197	$ 123,685
Remaining borrowing capacity	$ 279,680	$ 269,631	$ 334,180
Total liquidity	305,836	292,650	366,706

Operating Activities. During the first six months of 2024, cash used in operating activities was $10.1 million compared to cash provided by operating activities of $39.4 million in the same period of 2023. The increase in cash used in operating activities resulted primarily from the larger year-over-year increase in accounts receivable of $81.1 million compared to an increase in accounts receivable of $48.3 million in the same period of 2023, and the increase in inventories of $3.6 million compared to a decrease in inventories of $30.9 million in the same period of 2023, offset, in part, by the larger year-over-year increase in sundry payables and accrued expenses of $30 million compared to an increase of $2.8 million in the same period of 2023 and by the increase in net earnings.

During the year ended December 31, 2023, we generated significant operating cash flow by reducing our inventory to more normalized levels while actively managing our accounts receivable and accounts payable. We continue to actively manage our working capital to maximize our operating cash flow.

Investing Activities. Cash used in investing activities was $22.9 million in the first six months of 2024, compared to $9.4 million in the same period of 2023. Investing activities during the first six months of 2024 and 2023 primarily consisted of capital expenditures of $22.9 million and $9.5 million, respectively. The year-over-year increase in capital expenditures relates to the implementation of upgraded automation equipment, racking and other equipment, as we invest in the start-up of our new distribution facility in Shawnee, Kansas.

Financing Activities. Cash provided by financing activities was $28.5 million in the first six months of 2024 as compared to $29.1 million in the same period of 2023. During the first six months of 2024, we (1) increased our borrowings under our Credit Agreement by $52 million; (2) paid dividends to SMP shareholders of $12.7 million; and (3) made cash payments for the repurchase of shares of our common stock of $10.4 million. Cash provided by borrowings under our Credit Agreement in the six months ended June 30, 2024 was used to fund our operating activities, investing activities, pay dividends, and repurchase shares of our common stock.

During the first six months of 2023, we (1) reduced our borrowings under our Credit Agreement by $16.5 million; and (2) paid dividends to SMP shareholders of $12.5 million. Cash provided by our operating activities was used to reduce our borrowings under our Credit Agreement, fund our investing activities and pay dividends.

Quarterly dividends to SMP shareholders were paid at a rate of $0.29 in both 2024 and 2023.

Liquidity.

Our primary sources of funds are ongoing net cash flows from operating activities and availability under our Credit Agreement (as detailed below).

In June 2022, the Company entered into a five-year Credit Agreement with JPMorgan Chase Bank, N.A., as administrative agent, and a syndicate of lenders (the "Credit Agreement") which matures on June 1, 2027. The Credit Agreement provides for a $500 million credit facility comprised of a $100 million term loan facility (the "Term A-1 Loan") and a $400 million multi-currency revolving credit facility available in U.S. dollars, euros, British pound sterling, Swiss francs, Canadian dollars and other currencies as agreed to by the administrative agent and the lenders (the "revolving facility"). The revolving facility has a $25 million sub-limit for the issuance of letters of credit and a $25 million sub-limit for the borrowing of swingline loans.

Borrowings under the Credit Agreement were used to repay all outstanding borrowings under the 2015 Credit Agreement, and are used for other general corporate purposes of the Company and its subsidiaries. The Term A-1 Loan amortizes in quarterly installments of 1.25% in each of the first four years, and quarterly installments of 2.5% in the fifth year. The Company may request up to two one-year extensions of the maturity date.

The Company may, upon the agreement of one or more then existing lenders or of additional lenders not currently party to the Credit Agreement, increase the revolving facility or obtain incremental term loans by an aggregate amount not to exceed (x) the greater of (i) $168 million or (ii) 100% of consolidated EBITDA (as defined in the Credit Agreement) for the four fiscal quarters ended most recently before such date, plus (y) any voluntary prepayment of term loans, plus (z) any amount that, after giving effect to the increase, the pro forma First Lien Net Leverage Ratio (as defined in the Credit Agreement) does not exceed 2.5 to 1.0.

Term loan and revolver facility borrowings in U.S. dollars bear interest, at the Company's election, at a rate per annum equal to Term SOFR plus 0.10% plus a margin, or an alternate base rate plus a margin, where the alternate base rate is the greater of the prime rate, the federal funds effective rate plus 0.50%, and one-month Term SOFR plus 1.10%. The Term A-1 Loan was made at one-month Term SOFR. The margin for benchmark borrowings ranges from 1.0% to 2.0%, and the margin for alternate base rate borrowings ranges from 0% to 1.0%, in each case, based on the total net leverage ratio of the Company and its restricted subsidiaries. The Company may select interest periods of one, three or six months for Term SOFR borrowings. Interest is payable at the end of the selected interest period, but no less frequently than quarterly.

The Company's obligations under the Credit Agreement are guaranteed by its material domestic subsidiaries (each, a "Guarantor"), and secured by a first priority perfected security interest in substantially all of the existing and future personal property of the Company and each Guarantor, subject to certain exceptions. The collateral security described above also secures certain banking services obligations and interest rate swaps and currency or other hedging obligations of the Company owing to any of the then existing lenders or any affiliates thereof. The Company entered into an interest rate swap agreement with Wells Fargo Bank, N.A., Co-Syndication Agent and lender concurrently with the Credit Agreement.

Outstanding borrowings at June 30, 2024 under the Credit Agreement were $208 million, consisting of current borrowings of $5 million and long-term debt of $203 million; while outstanding borrowings at December 31, 2023 were $156 million, consisting of current borrowings of $5 million and long-term debt of $151 million. Letters of credit outstanding under the Credit Agreement were $2.3 million at both June 30, 2024 and December 31, 2023.

At June 30, 2024, the weighted average interest rate under our Credit Agreement was 5.7%, which consisted of $208 million in borrowings under Term SOFR, adjusted for the impact of the interest rate swap agreement on $100 million of borrowings. At December 31, 2023, the weighted average interest rate under our Credit Agreement was 5%, which consisted of $156 million in borrowings at 5% under Term SOFR, adjusted for the impact of the interest rate swap agreement on $100 million of borrowings. During the six months ended June 30, 2024, our average daily alternative base rate loan balance was $1 million, compared to a balance of $0.2 million for the six months ended June 30, 2023 and a balance of $0.1 million for the year ended December 31, 2023.

The Credit Agreement contains customary covenants limiting, among other things, the incurrence of additional indebtedness, the creation of liens, mergers, consolidations, liquidations and dissolutions, sales of assets, dividends and other payments in respect of equity interests, acquisitions, investments, loans and guarantees, subject, in each case, to customary exceptions, thresholds and baskets. The Credit Agreement also contains customary events of default.

In May 2024, the Company entered into Amendment No. 1 to the Credit Agreement to transition from CDOR to CORRA for benchmark borrowings denominated in Canadian dollars.

In July 2024, the Company entered into Amendment No. 2 to the Credit Agreement, to provide for a new $125 million term loan (the "Term A-2 Loan") and the use of funds available under the existing revolving facility to finance the acquisition of Nissens Automotive and related transaction costs. The Term A-2 Loan matures five years after it is funded on the closing of the acquisition, and amortizes in quarterly installments of 1.25% in each of the first and second year, quarterly installments of 1.875% in the third year, and quarterly installments of 2.50% in each of the fourth and fifth year.

In November 2023, our Polish subsidiary, SMP Poland sp. z.o.o., further amended its overdraft facility with HSBC Continental Europe (Spolka Akcyjna) Oddzial w Polsce. The overdraft facility, as amended, provides for borrowings under the facility in euros and U.S. dollars. Under the amended terms, the overdraft facility provides for borrowings of up to Polish zloty 30 million (approximately $7.5 million) if borrowings are solely in Polish zloty, or up to 85% of the Polish zloty 30 million limit (approximately $6.4 million) if borrowings are in euros and/or U.S. dollars. The overdraft facility had an original maturity date in March 2024, with automatic three-month renewals until June 2027, subject to cancellation by either party, at its sole discretion, at least 30 days prior to the commencement of the three-month renewal period. The facility automatically renewed in June 2024 to a September 2024 maturity date. Borrowings under the amended overdraft facility will bear interest at a rate equal to (1) the one month WIBOR + 1.0% for borrowings in Polish zloty, (2) the one month EURIBOR + 1.0% for borrowings in euros, and (3) the Mid-Point of the Fed Target Range + 1.25% for borrowings in U.S. dollars. Borrowings under the overdraft facility are guaranteed by Standard Motor Products, Inc., the ultimate parent company. There were no borrowings outstanding under the overdraft facility at both June 30, 2024 and December 31, 2023.

In order to reduce our accounts receivable balances and improve our cash flow, we are party to several supply chain financing arrangements, in which we may sell certain of our customers' trade accounts receivable to such customers' financial institutions. We sell our undivided interests in certain of these receivables at our discretion when we determine that the cost of these arrangements is less than the cost of servicing our receivables with existing debt. Under the terms of the agreements, we retain no rights or interest, have no obligations with respect to the sold receivables, and do not service the receivables after the sale. As such, these transactions are accounted for as a sale.

Pursuant to these agreements, we sold $230.1 million and $400.9 million of receivables during the three and six months ended June 30, 2024, respectively, and $211.6 million and $382.5 million for the comparable periods in 2023. Receivables presented at financial institutions and not yet collected as of June 30, 2024 and December 31, 2023 were approximately $14.4 million and $4.5 million, respectively, and remained in our accounts receivable balance as of that date. All receivables sold were reflected as a reduction of accounts receivable in the consolidated balance sheet at the time of sale. A charge in the amount of $13.4 million and $23.4 million related to the sale of receivables was included in selling, general and administrative expense in our consolidated statements of operations for the three and six months ended June 30, 2024, respectively, and $12.4 million and $21.5 million for the comparable periods in 2023.

To the extent that these arrangements are terminated, our financial condition, results of operations, cash flows and liquidity could be adversely affected by extended payment terms, or delays or failures in collecting trade accounts receivables. The utility of the supply chain financing arrangements also depends upon a benchmark reference rate for the purpose of determining the discount rate applicable to each arrangement. If the benchmark reference rate increases significantly, we may be negatively impacted as we may not be able to pass these added costs on to our customers, which could have a material and adverse effect upon our financial condition, results of operations and cash flows.

In July 2022, our Board of Directors authorized the purchase of up to $30 million of our common stock under a stock repurchase program. Stock will be purchased from time to time in the open market, or through private transactions, as market conditions warrant. Under this program, during the three and six months ended June 30, 2024, we repurchased 241,307 and 321,229 shares of our common stock at a total cost of $7.8 million and $10.4 million, respectively. As of June 30, 2024, there was approximately $19.6 million available for future stock purchases under the program. From the end of the second quarter through July 30, 2024, there have been no additional repurchases of our common stock under the program.

Material Cash Commitments

Material cash commitments as of June 30, 2024 consist of required cash payments to service our outstanding borrowings of $208 million under our Credit Agreement with JPMorgan Chase Bank, N.A., as agent, the future minimum cash requirements of $130.8 million through 2034 under operating leases, and expected future cash payments relating to our restructuring activities of $6.3 million with approximately $2.6 million paid in the remainder of 2024, approximately $3.3 million in 2025 and approximately $0.4 million thereafter. All of our other cash commitments as of June 30, 2024 are not material. For additional information related to our material cash commitments, see Note 4, “Restructuring and Integration Expenses”, Note 8, “Leases,” and Note 9, “Credit Facilities and Long-Term Debt,” in the notes to our consolidated financial statements (unaudited).

We anticipate that our cash flow from operations, available cash, and available borrowings under our Credit Agreement will be adequate to meet our future liquidity needs for at least the next twelve months. Significant assumptions underlie this belief, including, among other things, that we will be able to mitigate the future impact, if any, of disruptions in the supply chain caused by geo-political risks, future increases in interest rates, and significant inflationary cost increases in raw materials, labor and transportation that we are unable to pass through our customers, macroeconomic uncertainty, and that there will be no material adverse developments in our business, liquidity or capital requirements. If material adverse developments were to occur in any of these areas, there can be no assurance that our business will generate sufficient cash flow from operations, or that future borrowings will be available to us under our Credit Agreement in amounts sufficient to enable us to pay the principal and interest on our indebtedness, or to fund our other liquidity needs. In addition, if we default on any of our indebtedness, or breach any financial covenant in our Credit Agreement, our business could be adversely affected.

For further information regarding the risks in our business, refer to Item 1A “Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2023.

Critical Accounting Policies and Estimates

We have identified the accounting policies and estimates surrounding the “Valuation of Long-Lived and Intangible Assets and Goodwill,” and “Asbestos Litigation” as critical to our business operations and the understanding of our results of operations. The impact and any associated risks related to these policies and estimates on our business operations is discussed throughout “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” where such policies and estimates affect our reported and expected financial results. There have been no material changes to these and other accounting policies and estimates from the information provided in Note 1 of the Notes to our Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2023.

You should be aware that preparation of our consolidated financial statements requires us to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of our consolidated financial statements, and the reported amounts of revenue and expenses during the reporting periods. We can give no assurances that actual results will not differ from those estimates. Although we do not believe that there is a reasonable likelihood that there will be a material change in the future estimates, or in the assumptions that we use in calculating the estimates, the uncertain future effects, if any, of the disruptions in the supply chain caused by geo-political risks, future increases in interest rates, inflation, macroeconomic uncertainty, and other unforeseen changes in the industry, or business, could materially impact the estimates, and may have a material adverse effect on our business, financial condition and results of operations.

Recently Issued Accounting Pronouncements

For a detailed discussion on recently issued accounting pronouncements and their impact on our consolidated financial statements, see Note 2, "Summary of Significant Accounting Policies" of the notes to our consolidated financial statements (unaudited).

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative and Qualitative Disclosure about Market Risk

We are exposed to market risk, primarily related to foreign currency exchange and interest rates. These exposures are actively monitored by management. Our exposure to foreign exchange rate risk is due to certain costs, revenues and borrowings being denominated in currencies other than one of our subsidiary's functional currency. Similarly, we are exposed to market risk as the result of changes in interest rates, which may affect the cost of our financing. It is our policy and practice to use derivative financial instruments only to the extent necessary to manage exposures. We do not hold or issue derivative financial instruments for trading or speculative purposes.

Exchange Rate Risk

We have exchange rate exposure primarily with respect to the Canadian Dollar, the Euro, the British Pound, the Polish Zloty, the Hungarian Forint, the Mexican Peso, the Taiwan Dollar, the Chinese Yuan Renminbi and the Hong Kong Dollar. As of June 30, 2024 and December 31, 2023, our monetary assets and liabilities which are subject to this exposure are immaterial, therefore, the potential immediate loss to us that would result from a hypothetical 10% change in foreign currency exchange rates would not be expected to have a material impact on our earnings or cash flows. This sensitivity analysis assumes an unfavorable 10% fluctuation in the exchange rates affecting the foreign currencies in which monetary assets and liabilities are denominated and does not take into account the incremental effect of such a change on our foreign currency denominated revenues.

Interest Rate Risk

We manage our exposure to interest rate risk through the proportion of fixed rate debt and variable rate debt in our debt portfolio. To reduce our market risk to changes in interest rates on our variable rate borrowings, and to manage a portion of our exposure to changes in interest rates, we occasionally enter into interest rate swap agreements.

In June 2022, we entered into a seven year interest rate swap agreement with a notional amount of $100 million that is to mature in May 2029. The interest rate swap agreement has been designated as a cash flow hedge of interest payments on $100 million of borrowings under our Credit Agreement. Under the terms of the swap agreement, we will receive monthly variable interest payments based on one month Term SOFR and will pay interest based upon a fixed rate of 2.683% per annum.

As of June 30, 2024, we had approximately $208 million of outstanding borrowings under our Credit Agreement, of which approximately $108 million bears interest at variable rates of interest and $100 million bears interest at fixed rates, after consideration of the interest rate swap agreement entered into in June 2022. Additionally, we invest our excess cash in highly liquid short-term investments. Based upon our current level of borrowings under our facilities and our excess cash, the effect of a hypothetical, instantaneous and unfavorable change of 100 basis points in the interest rate may have an approximate $0.8 million annualized negative impact on our earnings or cash flows.

In addition, we are party to several supply chain financing arrangements, in which we may sell certain of our customers' trade accounts receivable to such customers' financial institutions. We sell our undivided interests in certain of these receivables at our discretion when we determine that the cost of these arrangements is less than the cost of servicing our receivables with existing debt. During the three and six months ended June 30, 2024, we sold $230.1 million and $400.9 million of receivables, respectively. Depending upon the level of sales of receivables pursuant these agreements, the effect of a hypothetical, instantaneous and unfavorable change of 100 basis points in the margin rate may have an approximate $2.3 million and $4 million negative impact on our earnings or cash flows during the three and six months ended June 30, 2024, respectively. The charge related to the sale of receivables is included in selling, general and administrative expenses in our consolidated statements of operations.

Other than the aforementioned, there have been no significant changes to the information presented in Item 7A (Market Risk) of our Annual Report on Form 10-K for the year ended December 31, 2023.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures.

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Exchange Act, as of the end of the period covered by this Report. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Report.

(b) Changes in Internal Control Over Financial Reporting.

During the quarter ended June 30, 2024, we have not made any changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. We review, document and test our internal control over financial reporting using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in the 2013 Internal Control – Integrated Framework. We may from time to time make changes aimed at enhancing their effectiveness and to ensure that our systems evolve with our business. These efforts may lead to various changes in our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The information required by this Item is incorporated herein by reference to the information set forth in Item 1, "Consolidated Financial Statements" of this Report under the caption "Asbestos" appearing in Note 18, "Commitments and Contingencies," of the notes to our consolidated financial statements (unaudited).

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

The following table provides information relating to the Company's purchases of its common stock for the second quarter of 2024:

Period	Total Number of Shares Purchased (a)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (b)	Maximum Number (or Approximate Dollar Value) of Shares that may yet be Purchased Under the Plans or Programs (b)
April 1 – 30, 2024	111,440	$ 32.73	111,440	$ 23,781,161
May 1 – 31, 2024	129,867	32.26	129,867	19,591,248
June 1 – 30, 2024	—	—	—	—
Total	**241,307**	**$ 32.48**	**241,307**	**$ 19,591,248**

(a) All shares were purchased through the publicly announced stock repurchase programs in open-market transactions.

(b) In July 2022, our Board of Directors authorized the purchase of up $30 million of our common stock under a stock repurchase program. Stock will be purchased from time to time in the open market, or through private transactions, as market conditions warrant. Under this program, during the three and six months ended June 30, 2024, we repurchased 241,307 and 321,229 shares of our common stock at a total cost of $7.8 million and $10.4 million, respectively. As of June 30, 2024, there was approximately $19.6 million available for future stock purchases under the program. From the end of the second quarter through July 30, 2024, there have been no additional repurchases of our common stock under the program.

ITEM 6. EXHIBITS

Exhibit Number	
2.1*	Share Sale and Purchase Agreement, dated as of July 5, 2024, by and among Standard Motor Products, Inc., as Buyer, Axcel V K/S, as Sellers' Representative, and the sellers named therein (incorporated by reference to the Company's Current Report on Form 8-K filed as of July 10, 2024).
10.1	First Amendment to Credit Agreement, dated as of May 13, 2024, by and among Standard Motor Products, Inc., as Borrower, and JPMorgan Chase Bank, N.A., as Administrative Agent.
10.2	Second Amendment to Credit Agreement, dated as of July 5, 2024, by and among Standard Motor Products, Inc., as Borrower, and JPMorgan Chase Bank, N.A., as Administrative Agent and the lenders named therein (incorporated by reference to the Company's Current Report on Form 8-K filed as of July 10, 2024).
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*	Certain schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company hereby undertakes to furnish supplemental copies of any of the omitted schedules upon request by the Securities and Exchange Commission.
101.INS**	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).
101.SCH**	Inline XBRL Taxonomy Extension Schema Document.
101.CAL**	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB**	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE**	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF**	Inline XBRL Taxonomy Extension Definition Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

** In accordance with Regulation S-T, the XBRL-related information in Exhibit 101 to the Original Filing shall be deemed to be "furnished" and not "filed."

SIGNATURES

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

STANDARD MOTOR PRODUCTS, INC.
(Registrant)

Date: August 1, 2024

/s/ Nathan R. Iles
Nathan R. Iles
Chief Financial Officer
(Principal Financial and
Accounting Officer)

Exhibit 10.1

EXECUTION COPY

AMENDMENT NO. 1

Dated as of May 13, 2024

to

CREDIT AGREEMENT

Dated as of June 1, 2022

THIS AMENDMENT NO. 1 (this "Amendment") is made as of May 13, 2024 by and among Standard Motor Products, Inc., a New York corporation (the "Borrower") and JPMorgan Chase Bank, N.A., in its capacity as administrative agent for the Lenders (the "Administrative Agent"), under that certain Credit Agreement dated as of June 1, 2022, by and among the Borrower, the Lenders from time to time party thereto and the Administrative Agent (as amended, restated, supplemented or otherwise modified from time to time prior to the date hereof, the "Credit Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Credit Agreement.

WHEREAS, certain loans, commitments and/or other extensions of credit (the "Loans") under the Credit Agreement denominated in Canadian Dollars incur or are permitted to incur interest, fees or other amounts based on CDOR in accordance with the terms of the Credit Agreement;

WHEREAS, pursuant to Section 2.14(b) of the Credit Agreement, the Administrative Agent and the Borrower have determined in accordance with the Credit Agreement that the CDOR Rate for Canadian Dollars should be replaced with a Benchmark Replacement in accordance with the Credit Agreement;

WHEREAS, in connection with the implementation of a Benchmark Replacement for the CDOR Rate and also as permitted by Section 2.14(c) of the Credit Agreement, the Administrative Agent has determined that certain Benchmark Replacement Conforming Changes are necessary or advisable;

WHEREAS, such changes shall become effective on July 1, 2024 (the "Conforming Changes Amendment Effective Date") without any further consent of any other party to the Credit Agreement or any other Loan Document so long as the Administrative Agent has not received, prior to 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the Notice Date (as defined below) (such time, the "Objection Deadline"), written notice of objection to such applicable Benchmark Replacement from Lenders comprising the Required Lenders; and

WHEREAS, the posting of this Amendment to the Lenders on May 13, 2024 (such date, the "Notice Date") constitutes the notice contemplated by Section 2.14(b) of the Credit Agreement in respect of the Benchmark Replacement implemented pursuant to this Amendment.

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Amendments to the Credit Agreement. Effective as of the Conforming Changes Amendment Effective Date, the Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the Credit Agreement attached as Annex A hereto (the Credit Agreement as so amended, the "Amended Credit Agreement").

2. Conditions of Effectiveness. This Amendment shall become effective as of the first date on which each of the following conditions shall have been satisfied (the date of the satisfaction of all such conditions, the "Amendment Effective Date"):

(a) The Administrative Agent (or its counsel) shall have received counterparts of this Amendment duly executed by the Borrower and the Administrative Agent.

(b) The Administrative Agent shall not have received, by the Objection Deadline, written notice of objection to the applicable Benchmark Replacement or the amendments to the Credit Agreement as provided herein from Lenders comprising the Required Lenders.

(c) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Amendment Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower pursuant to the terms of the Amended Credit Agreement.

The Administrative Agent shall notify the Borrower and the Lenders of the Amendment Effective Date, and such notice shall be conclusive and binding.

3. Representations and Warranties of the Borrower. The Borrower hereby represents and warrants to the Lenders as of the date hereof as follows:

(a) Each of this Amendment and the Amended Credit Agreement constitutes a legal, valid and binding agreement of the Borrower enforceable against the Borrower in accordance with its respective terms, subject to (i) applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally, (ii) general principles of equity, regardless of whether considered in a proceeding in equity or at law and (iii) requirements of reasonableness, good faith and fair dealing.

(b) This Amendment has been duly authorized, executed and delivered by the Borrower.

(c) The execution, delivery and performance by the Borrower of this Amendment does not and will not violate any provision of any law or regulation, or contractual or corporate restrictions, in each case, binding on the Borrower and material to the Borrower and its Subsidiaries, taken as a whole (except to the extent such violation would not reasonably be expected to have a Material Adverse Effect).

4. Reference to and Effect on the Credit Agreement.

(a) From and after the effectiveness of the amendment to the Credit Agreement evidenced hereby, the terms "Agreement", "this Agreement", "herein", "hereinafter", "hereto", "hereof" and words of similar import, as used in the Amended Credit Agreement, shall, unless the context otherwise requires, refer to the Amended Credit Agreement, and the term "Credit Agreement", as used in the other Loan Documents, shall mean the Amended Credit Agreement.

(b) Each Loan Document and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Administrative Agent or the Lenders, nor constitute a waiver of any provision of the Credit Agreement, the Loan Documents or any other documents, instruments and agreements executed and/or delivered in connection therewith.

(d) This Amendment shall be a Loan Document.

5. Governing Law. This Amendment shall be construed in accordance with and governed by the law of the State of New York.

6. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

7. Counterparts. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Amendment and/or any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include Electronic Signatures (as defined below), electronic deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be. As used herein, "Electronic Signatures" means any electronic symbol or process attached to, or associated with, any contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective authorized officers as of the day and year first above written.

STANDARD MOTOR PRODUCTS, INC.
as the Borrower

By: _____
Name:
Title:

Signature Page to Amendment No. 1 to
Credit Agreement dated as of June 1, 2022
Standard Motor Products, Inc.

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

By: _____
Name:
Title:

Signature Page to Amendment No. 1 to
Credit Agreement dated as of June 1, 2022
Standard Motor Products, Inc.

ANNEX A

Attached

J.P.Morgan

CREDIT AGREEMENT

dated as of

June 1, 2022

among

STANDARD MOTOR PRODUCTS, INC.

The Lenders Party Hereto

JPMORGAN CHASE BANK, N.A.
as Administrative Agent

and

BANK OF AMERICA, N.A. and WELLS FARGO BANK, NATIONAL ASSOCIATION
as Co-Syndication Agents

J.P. MORGAN SECURITIES LLC
as Sustainability Structuring Agent

JPMORAN CHASE BANK, N.A.
as Sole Bookrunner

and

JPMORGAN CHASE BANK, N.A.,
BofA SECURITIES, INC. and WELLS FARGO SECURITIES, LLC

as Joint Lead Arrangers

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(continued)

CREDIT AGREEMENT (this "Agreement") dated as of June 1, 2022 among STANDARD MOTOR PRODUCTS, INC., the LENDERS from time to time party hereto and JPMORGAN CHASE BANK, N.A., as Administrative Agent.

The parties hereto agree as follows:

ARTICLE I

Definitions

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

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

"Account" has the meaning assigned to such term, as applicable and as the context may require, in the Security Agreement.

"Account Debtor" means (i) any Person obligated on an Account or (ii) for the purposes of a Customer Draft, the drawer or maker of such Customer Draft.

"Acquisition" means any acquisition (whether by purchase, merger, consolidation or otherwise) or series of related acquisitions by the Borrower or any Restricted Subsidiary of (i) all or substantially all the assets of (or all or substantially all the assets constituting a business or operating unit, division, product line or line of business of) any Person or (ii) all or substantially all the Equity Interests in a Person or division or line of business of a Person.

"Additional Commitment Lender" has the meaning assigned to it in Section 2.23(d).

"Adjusted Daily Simple RFR" means, (i) with respect to any RFR Borrowing denominated in Pounds Sterling, an interest rate per annum equal to (a) the Daily Simple RFR for Pounds Sterling, plus (b) 0.0326%, (ii) with respect to any RFR Borrowing denominated in Swiss Francs, an interest rate per annum equal to (a) the Daily Simple RFR for Swiss Francs, plus (b) negative 0.0571%, ~~and~~ (iii) with respect to any RFR Borrowing denominated in Dollars, an interest rate per annum equal to (a) the Daily Simple RFR for Dollars, plus (b) 0.10% **and (iv) with respect to any RFR Borrowing denominated in Canadian Dollars, an interest rate per annum equal to (a) the Daily Simple RFR for Canadian Dollars, plus (b) 0.29547%**; provided that if the Adjusted Daily Simple RFR as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

"Adjusted EURIBO Rate" means, with respect to any Term Benchmark Borrowing denominated in euro for any Interest Period, an interest rate per annum equal to (a) the EURIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate; provided that if the Adjusted EURIBO Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

"Adjusted Term CORRA Rate" means, for purposes of any calculation, the rate per annum equal to (a) Term CORRA for such calculation plus (b) 0.29547% for a one month interest period or 0.32138% for a three month interest period; provided that if the Adjusted Term CORRA Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

"Adjusted Term SOFR Rate" means, with respect to any Term Benchmark Borrowing denominated in Dollars for any Interest Period, an interest rate per annum equal to (a) the Term SOFR Rate for such Interest Period, plus (b) 0.10%; provided that if the Adjusted Term SOFR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

"Administrative Agent" means JPMorgan Chase Bank, N.A. (or any of its designated branch offices or affiliates), in its capacity as administrative agent for the Lenders hereunder.

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

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

"Affiliate" means, with respect to 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.

"Agent-Related Person" has the meaning assigned to such term in Section 9.03(d).

"Agreed Currencies" means (i) Dollars, (ii) euro, (iii) Pounds Sterling, (iv) Swiss Francs, (v) Canadian Dollars and (vi) any other currency (other than Dollars) (x) that is a lawful currency that is readily available and freely transferable and convertible into Dollars and (y) that is agreed to by the Administrative Agent and each of the Lenders.

"Agreement" has the meaning assigned to such term in the introductory paragraph hereof.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus ½ of 1% and (c) the Adjusted Term SOFR Rate for a one month Interest Period as published two U.S. Government Securities Business Days prior to such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%; provided that for the purpose of this definition, the Adjusted Term SOFR Rate for any day shall be based on the Term SOFR Reference Rate at approximately 5:00 a.m., Chicago time, on such day (or any amended publication time for the Term SOFR Reference Rate, as specified by the CME Term SOFR Administrator in the Term SOFR Reference Rate methodology). Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted Term SOFR Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted Term SOFR Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.14 (for the avoidance of doubt, only until the Benchmark Replacement has been determined pursuant to Section 2.14(b)), then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Alternate Base Rate as determined pursuant to the foregoing would be less than 1.00%, such rate shall be deemed to be 1.00% for purposes of this Agreement.

"Ancillary Document" has the meaning assigned to such term in Section 9.06.

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

"Applicable LC Sublimit" means, as of the Effective Date (i) with respect to JPMorgan Chase Bank, N.A. in its capacity as an Issuing Bank under this Agreement, $8,333,334, (ii) with respect to Bank of America, N.A. in its capacity as an Issuing Bank under this Agreement, $8,333,333 and (iii) with respect to Wells Fargo Bank, National Association in its capacity as an Issuing Bank under this Agreement, $8,333,333, as each of the foregoing amounts may be decreased or increased from time to time with the written consent of the Borrower, the Administrative Agent and the Issuing Banks (provided that any increase in the Applicable LC Sublimit with respect to any Issuing Bank (and any decrease in the Applicable LC Sublimit with respect to any Issuing Bank after any such increase in the Applicable LC Sublimit of such Issuing Bank so long as such decrease would not cause the Applicable LC Sublimit of such Issuing Bank to be less than its Applicable LC Sublimit as of the Effective Date) shall only require the consent of the Borrower, the Administrative Agent and such Issuing Bank).

"Applicable Party" has the meaning assigned to such term in Section 8.03(c).

"Applicable Percentage" means, with respect to any Lender at any time, (a) with respect to Revolving Loans, LC Exposure or Swingline Loans, the percentage equal to a fraction the numerator of which is such Lender's Revolving Commitment at such time and the denominator of which is the aggregate Revolving Commitments of all Revolving Lenders at such time (provided that, if the Revolving Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Revolving Commitments most recently in effect, giving effect to any assignments); provided that in the case of Section 2.22 when a Defaulting Lender shall exist, any such Defaulting Lender's Revolving Commitment shall be disregarded in the calculation and (b) with respect to the Term Loans, a percentage equal to a fraction the numerator of which is such Lender's outstanding principal amount of the Term Loans and the denominator of which is the aggregate outstanding principal amount of the Term Loans of all Term Lenders.

"Applicable Rate" means, for any day, (a) with respect to any Term Benchmark Revolving Loan or any Term Benchmark Term Loan, the applicable rate per annum set forth below under the caption "Term Benchmark Spread", (b) with respect to any RFR Revolving Loan or any RFR Term Loan, the applicable rate per annum set forth below under the caption "RFR Spread", (c) with respect to any ABR Revolving Loan or any ABR Term Loan, the applicable rate per annum set forth below under the caption "ABR Spread", and (d) with respect to the commitment fees payable hereunder, the applicable rate per annum set forth below under the caption "Commitment Fee Rate", in each case based upon the Total Net Leverage Ratio applicable on such day.

	Total Net Leverage Ratio:	Term Benchmark Spread	RFR Spread	ABR Spread	Commitment Fee Rate
Category 1:	≤ 0.50 to 1.00	1.00%	1.00%	0%	0.15%
Category 2:	> 0.50 to 1.00 but ≤ 1.25 to 1.00	1.25%	1.25%	0.25%	0.175%
Category 3:	> 1.25 to 1.00 but ≤ 2.25 to 1.00	1.50%	1.50%	0.50%	0.20%
Category 4:	> 2.25 to 1.00 but ≤ 3.00 to 1.00	1.75%	1.75%	0.75%	0.225%
Category 5:	> 3.00 to 1.00	2.00%	2.00%	1.00%	0.25%

For purposes of the foregoing,

(i) if at any time the Borrower fails to deliver the Financials on or before the date the Financials are due pursuant to Section 5.01, Category 5 shall, at the option of the Administrative Agent or at the request of the Required Lenders, be deemed applicable for the period commencing three (3) Business Days after the required date of delivery and ending on the date which is three (3) Business Days after the Financials are actually delivered, after which the Category shall be determined in accordance with the table above as applicable;

(ii) adjustments, if any, to the Category then in effect shall be effective three (3) Business Days after the Administrative Agent has received the applicable Financials (it being understood and agreed that each change in Category shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change); and

(iii) notwithstanding the foregoing, Category 3 shall be deemed to be applicable until the Administrative Agent's receipt of the applicable Financials for the Borrower's second full fiscal quarter ending after the Effective Date and adjustments to the Category then in effect shall thereafter be effected in accordance with the preceding paragraphs (i) and (ii).

"Applicable Time" means, with respect to any Borrowings and payments in any Foreign Currency, the local time in the place of settlement for such Foreign Currency as may be determined by the Administrative Agent or the Issuing Bank, 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.

"Approved Electronic Platform" has the meaning assigned to such term in Section 8.03(a).

"Approved Fund" has the meaning assigned to such term in Section 9.04(b).

"Arranger" means each of (i) JPMorgan Chase Bank, N.A., in its capacity as sole bookrunner and a joint lead arranger hereunder, (ii) BofA Securities, Inc., in its capacity as a joint lead arranger hereunder and (iii) Wells Fargo Securities, LLC, in its capacity as a joint lead arranger hereunder.

"Asbestos Claims" means claims seeking to impose liability on the Borrower in connection with any alleged exposure to asbestos.

"Assignment and Assumption" means an assignment and assumption agreement entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form (including electronic records generated by the use of an electronic platform) approved by the Administrative Agent.

"Augmenting Lender" has the meaning assigned to such term in Section 2.20.

"Availability Period" means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Revolving Commitments.

"Available Revolving Commitment" means, at any time with respect to any Lender, the Revolving Commitment of such Lender then in effect minus the Revolving Credit Exposure of such Lender at such time; it being understood and agreed that any Lender's Swingline Exposure shall not be deemed to be a component of the Revolving Credit Exposure for purposes of calculating the commitment fee under Section 2.12(a).

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark for any Agreed Currency, as applicable, any tenor for such Benchmark (or component thereof) or payment period for interest calculated with reference to such Benchmark (or component thereof), as applicable, that is or may be used for determining the length of an Interest Period for any term rate or otherwise, for determining any frequency of making payments of interest calculated pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to clause (e) of Section 2.14.

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

"Bail-In Legislation" means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Banking Services" means each and any of the following bank services provided to the Borrower or any Subsidiary by any Lender or any of its Affiliates: (a) credit cards for commercial customers (including, without limitation, commercial credit cards and purchasing cards), (b) stored value cards, (c) merchant processing services and (d) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, any direct debit scheme or arrangement, overdrafts and interstate depository network services).

"Banking Services Agreement" means any agreement entered into by the Borrower or any Subsidiary in connection with Banking Services.

"Banking Services Obligations" means any and all obligations of the Borrower or any Subsidiary, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

"Bankruptcy Code" means Title 11 of the United States Code entitled "Bankruptcy", as now and hereafter in effect, or any successor statute.

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

"Benchmark" means, initially, with respect to any (i) RFR Loan in any Agreed Currency, the applicable Relevant Rate for such Agreed Currency or (ii) Term Benchmark Loan, the Relevant Rate for such Agreed Currency; provided that if a Benchmark Transition Event **or a Term CORRA Reelection Event** and the related Benchmark Replacement Date have occurred with respect to the applicable Relevant Rate or the then-current Benchmark for such Agreed Currency, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (b) of Section 2.14.

"Benchmark Replacement" means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date; provided that, in the case of any Loan denominated in a Foreign Currency **(other than any Loan denominated in Canadian Dollars)**, "Benchmark Replacement" shall mean the alternative set forth in (2) below:

(1) in the case of any Loan denominated in Dollars, the Adjusted Daily Simple RFR for RFR Borrowings denominated in Dollars **and/or in the case of any Loan denominated in Canadian Dollars, the Adjusted Daily Simple RFR for RFR Borrowings denominated in Canadian Dollars**;

(2) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for syndicated credit facilities denominated in the applicable Agreed Currency at such time in the United States and (b) the related Benchmark Replacement Adjustment;

provided that, notwithstanding anything to the contrary in this Agreement or in any other Loan Document, upon the occurrence of a Term CORRA Reelection Event, and the delivery of a Term CORRA Notice, on the applicable Benchmark Replacement Date the "Benchmark Replacement" shall revert to and shall be deemed to be the Adjusted Term CORRA Rate.

provided ~~**that if**~~**If** the Benchmark Replacement as determined pursuant to clause (1) or clause (2) would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities denominated in the applicable Agreed Currency at such time.

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

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

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); ~~or~~

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

(3) in the case of a Term CORRA Reelection Event, the date that is thirty (30) days after the date a Term CORRA Notice (if any) is provided to the Lenders and the Borrower pursuant to Section 2.14(c).

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

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

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

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the NYFRB, the CME Term SOFR Administrator, the central bank for the Agreed Currency applicable to such Benchmark, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), in each case which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

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

"Benchmark Unavailability Period" means, with respect to any Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.14 and (y) ending at the time that a Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.14.

"Beneficial Ownership Certification" means a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code to which Section 4975 of the Code applies, and (c) any Person whose assets include (for purposes of the Plan Asset Regulations 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".

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Borrower" means Standard Motor Products, Inc. a New York corporation.

"Borrowing" means (a) Revolving Loans of the same Type, made, converted or continued on the same date and, in the case of Term Benchmark Loans, as to which a single Interest Period is in effect, (b) a Term Loan of the same Type, made, converted or continued on the same date and, in the case of Term Benchmark Loans, as to which a single Interest Period is in effect or (c) a Swingline Loan.

"Borrowing Request" means a request by the Borrower for a Borrowing in accordance with Section 2.03, which shall be substantially in the form attached hereto as Exhibit F-1 or any other form approved by the Administrative Agent.

"Burdensome Restrictions" means any consensual encumbrance or restriction of the type described in clause (a) or (b) of Section 6.09.

"Business Day" means, any day (other than a Saturday or a Sunday) on which banks are open for business in New York City or Chicago; provided that (i) in relation to Loans denominated in Pounds Sterling, any day (other than a Saturday or a Sunday) on which banks are open for business in London, (ii) in relation to Loans denominated in euro and in relation to the calculation or computation of the EURIBO Rate, any day which is a TARGET Day, (iii) in relation to Loans denominated in Canadian Dollars and in relation to the calculation or computation of ~~the CDOR Rate~~**CORRA** or the Canadian Prime Rate, any day (other than a Saturday or a Sunday) on which banks are open for business in Toronto and (iv) in relation to RFR Loans and any interest rate settings, fundings, disbursements, settlements or payments of any such RFR Loan, or any other dealings in the applicable Agreed Currency of such RFR Loan, any such day that is only an RFR Business Day.

"Canadian Dollars" or "CAD" means the lawful currency of Canada.

"Canadian Prime Rate" means, on any day, the rate determined by the Administrative Agent to be the higher of (i) the rate equal to the PRIMCAN Index rate that appears on the Bloomberg screen at 10:15 a.m. Toronto time on such day (or, in the event that the PRIMCAN Index is not published by Bloomberg, any other information services that publishes such index from time to time, as selected by the Administrative Agent in its reasonable discretion) and (ii) the ~~CDOR Screen~~**Adjusted Term CORRA** Rate for ~~thirty (30) day Canadian Dollar bankers' acceptances.~~**an interest period of one month in effect on such day** plus 1% per annum; provided, that if any of the above rates shall be less than 1.00%, such rate shall be deemed to be 1.00% for purposes of this Agreement. Any change in the Canadian Prime Rate due to a change in the PRIMCAN Index or the ~~CDOR Screen~~**Adjusted Term CORRA** Rate shall be effective from and including the effective date of such change in the PRIMCAN Index or the ~~CDOR Screen~~**Adjusted Term CORRA** Rate, respectively.

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases or financing leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"CBR Loan" means a Loan that bears interest at a rate determined by reference to the Central Bank Rate.

"CBR Spread" means the Applicable Rate applicable to such Loan that is replaced by a CBR Loan.

~~**"CDOR Rate" means, with respect to any Term Benchmark Borrowing denominated in Canadian Dollars and for any Interest Period, the CDOR Screen Rate at approximately 10:15 a.m., Toronto time, on the first day of such Interest Period; provided that if the CDOR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.**~~

~~**"CDOR Screen Rate" means on any day for the relevant Interest Period, the annual rate of interest equal to the average rate applicable to Canadian Dollar Canadian bankers' acceptances for the applicable period that appears on the "Reuters Screen CDOR Page" as defined in the International Swap Dealer Association, Inc. definitions, as modified and amended from time to time (or, in the event such rate does not appear on such page or screen, on any successor or substitute page or screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time, as selected by the Administrative Agent in its reasonable discretion), rounded to the nearest 1/100th of 1% (with .005% being rounded up), as of 10:15 a.m. Toronto time on the first day of such Interest Period and, if such day is not a Business Day, then on the immediately preceding Business Day (as adjusted by Administrative Agent after 10:15 a.m. Toronto time to reflect any error in the posted rate of interest or in the posted average annual rate of interest).**~~

"Central Bank Rate" means, the greater of (i) (A) for any Loan denominated in (a) Pounds Sterling, the Bank of England (or any successor thereto)'s "Bank Rate" as published by the Bank of England (or any successor thereto) from time to time, (b) euro, one of the following three rates as may be selected by the Administrative Agent in its reasonable discretion: (1) the fixed rate for the main refinancing operations of the European Central Bank (or any successor thereto), or, if that rate is not published, the minimum bid rate for the main refinancing operations of the European Central Bank (or any successor thereto), each as published by the European Central Bank (or any successor thereto) from time to time, (2) the rate for the marginal lending facility of the European Central Bank (or any successor thereto), as published by the European Central Bank (or any successor thereto) from time to time, or (3) the rate for the deposit facility of the central banking system of the Participating Member States, as published by the European Central Bank (or any successor thereto) from time to time, (c) Swiss Francs, the policy rate of the Swiss National Bank (or any successor thereto) as published by the Swiss National Bank (or any successor thereto) from time to time and (d) any other Foreign Currency determined after the Effective Date, a central bank rate as determined by the Administrative Agent in its reasonable discretion; plus (B) the applicable Central Bank Rate Adjustment and (ii) the Floor.

"Central Bank Rate Adjustment" means, for any day, for any Loan denominated in:

(a) euro, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of the Adjusted EURIBO Rate for the five most recent Business Days preceding such day for which the EURIBO Screen Rate was available (excluding, from such averaging, the highest and the lowest Adjusted EURIBO Rate applicable during such period of five Business Days) minus (ii) the Central Bank Rate in respect of euro in effect on the last Business Day in such period,

(b) Pounds Sterling, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of Adjusted Daily Simple RFR for Pounds Sterling Borrowings for the five most recent RFR Business Days preceding such day for which SONIA was available (excluding, from such averaging, the highest and the lowest such Adjusted Daily Simple RFR applicable during such period of five RFR Business Days) minus (ii) the Central Bank Rate in respect of Pounds Sterling in effect on the last RFR Business Day in such period,

(c) Swiss Francs, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of Adjusted Daily Simple RFR for Swiss Franc Borrowings for the five most recent RFR Business Days preceding such day for which SARON was available (excluding, from such averaging, the highest and the lowest such Adjusted Daily Simple RFR applicable during such period of five RFR Business Days) minus (ii) the Central Bank Rate in respect of Swiss Francs in effect on the last RFR Business Day in such period, and

(d) any other Foreign Currency determined after the Effective Date, an adjustment as determined by the Administrative Agent in its reasonable discretion.

For purposes of this definition, (x) the term Central Bank Rate shall be determined disregarding clause (i)(B) of the definition of such term and (y) the EURIBO Rate on any day shall be based on the EURIBO Screen Rate on such day at approximately the time referred to in the definition of such term for deposits in the applicable Agreed Currency for a maturity of one month.

"CFC" means a "controlled foreign corporation" within the meaning of Section 957 of the Code.

"CFC Holding Company" mean any Domestic Subsidiary that owns no material assets (directly or through one or more disregarded entities) other than capital stock and, if any, indebtedness of one or more Foreign Subsidiaries that are CFCs.

"Change in Control" means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the SEC thereunder as in effect on the date hereof), of Equity Interests representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Borrower; (b) occupation at any time of a majority of the seats (other than vacant seats) on the board of directors of the Borrower by Persons who were neither (i) nominated, appointed or approved for consideration by shareholders for election by the board of directors of the Borrower nor (ii) appointed by directors so nominated, appointed or approved or (c) the acquisition of direct or indirect Control of the Borrower by any Person or group.

"Change in Law" means the occurrence after the date of this Agreement of (a) the adoption of 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) compliance by any Lender or Issuing Bank (or, for purposes of Section 2.15(b), by any lending office of such Lender or by such Lender's or Issuing Bank's holding company, if any) with any request, rule, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith or in the implementation thereof and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall, in each case, be deemed to be a "Change in Law," regardless of the date enacted, adopted, issued or implemented.

"Charges" has the meaning assigned to such term in Section 9.16.

"Class", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans, Term Loans, Incremental Term Loans or Swingline Loans.

"CME Term SOFR Administrator" means CME Group Benchmark Administration Limited as administrator of the forward-looking term Secured Overnight Financing Rate (SOFR) (or a successor administrator).

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

"Collateral" means any and all property owned, leased or operated by a Person covered by the Collateral Documents and any and all other property of any Loan Party, now existing or hereafter acquired, that may at any time be or become subject to a security interest or Lien in favor of the Administrative Agent, on behalf of itself and the Secured Parties, pursuant to the Collateral Documents to secure the Secured Obligations; provided that the Collateral shall exclude Excluded Assets.

"Collateral Documents" means, collectively, the Security Agreement and all other agreements, instruments and documents executed in connection with this Agreement that are intended to create, perfect or evidence Liens to secure the Secured Obligations, including, without limitation, all other security agreements, pledge agreements, mortgages, deeds of trust, loan agreements, notes, guarantees, subordination agreements, pledges, powers of attorney, consents, assignments, contracts, fee letters, notices, leases, financing statements and all other written matter whether heretofore, now, or hereafter executed by the Borrower or any of its Subsidiaries and delivered to the Administrative Agent.

"Commitment" means, (a) the Revolving Commitments and the Term Loan Commitments and (b) with respect to each Lender, the sum of such Lender's Revolving Commitment and Term Loan Commitment. The initial amount of each Lender's Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption or other documentation contemplated hereby pursuant to which such Lender shall have assumed its Revolving Commitment pursuant to the terms hereof, as applicable.

"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.

"Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Administrative Agent, any Lender or the Issuing Bank by means of electronic communications pursuant to Section 8.03, including through an Approved Electronic Platform.

"Computation Date" has the meaning assigned to such term in Section 2.04.

"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 EBITDA" means, with respect to any period, without duplication, an amount equal to (a) Consolidated Net Income for such period, minus (b) the sum of (i) income tax credits, (ii) gain from extraordinary items for such period, (iii) any aggregate net gain (but not any aggregate net loss) during such period arising from the sale, exchange or other disposition of capital assets (including any fixed assets, whether tangible or intangible, all inventory sold in conjunction with the disposition of fixed assets and all securities), and (iv) any other non-operating, non-cash gains that have been added in determining Consolidated Net Income, in each case to the extent included in the calculation of Consolidated Net Income for such period, but without duplication, plus (c) the sum of (i) any provision for income taxes, (ii) Consolidated Interest Expense, (iii) loss from extraordinary items for such period, (iv) the amount of any non-operating, non-cash losses or charges (including depreciation and amortization) for such period, (v) amortized debt discount for such period, and (vi) the amount of any deduction to Consolidated Net Income as the result of any grant to any members of the management of the Borrower or any Restricted Subsidiary of any Equity Interests, in each case to the extent deducted from revenues in the calculation of Consolidated Net Income for such period, but without duplication. For purposes of this definition, the following items shall be subtracted from (or with respect to any deficit in item (1) below, added back to) the calculation of Consolidated Net Income for purposes of calculating Consolidated EBITDA: (1) the income (or deficit) of any other Person accrued prior to the date it became a Restricted Subsidiary or was merged or consolidated into the Borrower or any Restricted Subsidiary or any of such Person's Subsidiaries; (2) the undistributed earnings of any Subsidiary of the Borrower or any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any contractual obligation or requirement of law applicable to such Subsidiary; (3) any restoration to income of any reserve established for specific non-recurring items, except to the extent that provision for such reserve was made out of income accrued during such period; (4) any write-up of any asset; (5) any net gain from the collection of the proceeds of life insurance policies; (6) any net gain arising from the acquisition of any securities, or the extinguishment under GAAP of any Indebtedness, of the Borrower or any Restricted Subsidiary; (7) in the case of a successor to any Restricted Subsidiary by consolidation, amalgamation or merger or as a transferee of its assets, any earnings of such successor prior to such consolidation, amalgamation, merger or transfer of assets; and (8) any deferred credit representing the excess of equity in any Subsidiary of the Borrower or any Restricted Subsidiary at the date of acquisition of such Subsidiary over the cost to the Borrower or such Restricted Subsidiary of the investment in such Subsidiary. For purposes of this definition, and without duplication of amounts added back pursuant to clause (c)(iii) of the first sentence of this definition, the following items shall be added back to Consolidated Net Income for purposes of calculating Consolidated EBITDA: any one-time charges incurred in connection with Acquisitions permitted under Section 6.05, consolidation or relocation of facilities, or dispositions of assets permitted hereunder in an aggregate amount not to exceed $5,000,000 during any fiscal year of the Borrower; provided that, to the extent such one-time charges in any such fiscal year are less than such $5,000,000 threshold, such unused charges may be carried forward and added back to Consolidated Net Income for purposes of calculating Consolidated EBITDA only in the immediately succeeding fiscal year of the Borrower (in addition to the applicable amount for each fiscal year) assuming such one-time charges are actually incurred in the immediately succeeding fiscal year.

"Consolidated First Lien Indebtedness" means, at any date of determination, the aggregate principal amount of Consolidated Total Indebtedness outstanding on such date that is secured by a Lien on any property or asset of the Borrower or any Restricted Subsidiary that is not junior or subordinated in priority to the Liens on the Collateral securing the Secured Obligations.

"Consolidated Interest Expense" means, with reference to any period, the interest expense (including without limitation interest expense under Capital Lease Obligations that is treated as interest in accordance with GAAP) of the Borrower and its Restricted Subsidiaries calculated on a consolidated basis for such period with respect to all outstanding Indebtedness of the Borrower and its Restricted Subsidiaries allocable to such period in accordance with GAAP (including net costs under interest rate Swap Agreements to the extent such net costs are allocable to such period in accordance with GAAP). For purposes of the foregoing, interest expense shall be calculated after giving effect to any net payments actually made or received by the Borrower or any of its Restricted Subsidiaries with respect to interest rate Swap Agreements.

"Consolidated Net Income" means, with reference to any period, the net income (or loss) of the Borrower and its Restricted Subsidiaries calculated in accordance with GAAP on a consolidated basis (without duplication) for such period; provided that there shall be excluded any income (or loss) of any Person other than the Borrower or a Restricted Subsidiary, but any such income so excluded may be included in such period or any later period to the extent of any cash dividends or distributions actually paid in the relevant period to the Borrower or any wholly-owned Restricted Subsidiary of the Borrower.

"Consolidated Total Assets" means, as of the date of any determination thereof, total assets of the Borrower and its Restricted Subsidiaries calculated in accordance with GAAP on a consolidated basis as of such date.

"Consolidated Total Indebtedness" means, as of the date of any determination thereof, the principal amount, without duplication, of the all Indebtedness (but excluding contingent obligations in respect of the items described in clauses (i) and (j) of the definition of "Indebtedness") of the Borrower and its Restricted Subsidiaries calculated on a consolidated basis as of such date in accordance with GAAP.

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

"CORRA" means the Canadian Overnight Repo Rate Average administered and published by the Bank of Canada (or any successor administrator).

"CORRA Administrator" means the Bank of Canada (or any successor administrator).

"CORRA Determination Date" has the meaning specified in the definition of "Daily Simple CORRA".

"CORRA Rate Day" has the meaning specified in the definition of "Daily Simple CORRA".

"Corresponding Tenor" with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

"Covered Entity" means any of the following:

(i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Covered Party" has the meaning assigned to it in Section 9.19.

"Credit Event" means a Borrowing, the issuance, amendment or extension of a Letter of Credit, an LC Disbursement or any of the foregoing.

"Credit Exposure" means, as to any Lender at any time, the sum of (a) such Lender's Revolving Credit Exposure at such time, plus (b) an amount equal to the aggregate principal amount of its Term Loans outstanding at such time.

"Credit Party" means the Administrative Agent, the Issuing Bank, the Swingline Lender or any other Lender.

"Customer Draft" means the negotiable drafts issued by an Account Debtor in connection with a Customer Program.

"Customer Program" means a program established between an Account Debtor and a bank or other financial institution pursuant to which such Account Debtor consolidates multiple invoices from a supplier into a single large payment and issues a negotiable draft to a Loan Party which draft is purchased from the Loan Party by such financial institution for an agreed upon purchase price.

"Daily Simple CORRA" means, for any day (a "CORRA Rate Day"), a rate per annum equal to CORRA for the day (such day, the "CORRA Determination Date") that is five (5) RFR Business Days prior to (i) if such CORRA Rate Day is an RFR Business Day, such CORRA Rate Day or (ii) if such CORRA Rate Day is not an RFR Business Day, the RFR Business Day immediately preceding such CORRA Rate Day, in each case, as such CORRA is published by the CORRA Administrator on the CORRA Administrator's website. Any change in Daily Simple CORRA due to a change in CORRA shall be effective from and including the effective date of such change in CORRA without notice to the Borrower. If by 5:00 p.m. (Toronto time) on any given CORRA Determination Date, CORRA in respect of such CORRA Determination Date has not been published on the CORRA Administrator's website and a Benchmark Replacement Date with respect to the Daily Simple CORRA has not occurred, then CORRA for such CORRA Determination Date will be CORRA as published in respect of the first preceding RFR Business Day for which such CORRA was published on the CORRA Administrator's website, so long as such first preceding RFR Business Day is not more than five (5) RFR Business Days prior to such CORRA Determination Date.

"Daily Simple RFR" means, for any day (an "RFR Interest Day"), an interest rate per annum equal to, for any RFR Loan denominated in (i) Pounds Sterling, SONIA for the day that is five (5) RFR Business Days prior to (A) if such RFR Interest Day is an RFR Business Day, such RFR Interest Day or (B) if such RFR Interest Day is not an RFR Business Day, the RFR Business Day immediately preceding such RFR Interest Day, (ii) Swiss Francs, SARON for the day that is five (5) RFR Business Days prior to (A) if such RFR Interest Day is an RFR Business Day, such RFR Interest Day or (B) if such RFR Interest Day is not an RFR Business Day, the RFR Business Day immediately preceding such RFR Interest Day, and (iii) Dollars, Daily Simple SOFR~~,~~ **(following a Benchmark Transition Event and a Benchmark Replacement Date with respect to the Term SOFR Rate) and (iv) for any RFR Loan denominated in Canadian Dollars, Daily Simple CORRA (following a Benchmark Transition Event and a Benchmark Replacement Date with respect to Term CORRA).**

"Daily Simple SOFR" means, for any day (a "SOFR Rate Day"), a rate per annum equal to SOFR for the day that is five (5) RFR Business Days prior to (i) if such SOFR Rate Day is an RFR Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not an RFR Business Day, the RFR Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator's Website. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower.

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

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"Defaulting Lender" means any Lender that (a) has failed, within two (2) Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or Swingline Loans or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a Loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three (3) Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations as of the date of certification) to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has become the subject of (i) a Bankruptcy Event or (ii) a Bail-In Action.

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition (in one transaction or in a series of transactions and whether effected pursuant to a division or otherwise) of any property by any Person (including any Sale and Leaseback Transaction and any issuance of Equity Interests by a Subsidiary of such Person), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

"Dollar Amount" of any amount of any currency means, at the time of determination thereof, (a) if such amount is expressed in Dollars, such amount, (b) if such amount is expressed in a Foreign Currency, the equivalent of such amount in Dollars determined by using the rate of exchange for the purchase of Dollars with such Foreign Currency last provided (either by publication or otherwise provided to the Administrative Agent) by the applicable Reuters source on the Business Day (New York City time) immediately preceding the date of determination or if such service ceases to be available or ceases to provide a rate of exchange for the purchase of Dollars with such Foreign Currency, as provided by such other publicly available information service which provides that rate of exchange at such time in place of Reuters chosen by the Administrative Agent in its sole discretion (or if such service ceases to be available or ceases to provide such rate of exchange, the equivalent of such amount in Dollars as determined by the Administrative Agent using any method of determination it deems appropriate in its sole discretion) and (c) if such amount is denominated in any other currency, the equivalent of such amount in Dollars as determined by the Administrative Agent using any method of determination it deems appropriate in its sole discretion.

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

"Domestic Subsidiary" means a Restricted Subsidiary organized under the laws of a jurisdiction located in the United States of America.

"ECP" means an "eligible contract participant" as defined in Section 1(a)(18) of the Commodity Exchange Act or any regulations promulgated thereunder and the applicable rules issued by the Commodity Futures Trading Commission and/or the SEC.

"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.

"Effective Date" means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

"Electronic Signature" means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

"Environmental Laws" means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to (i) protection of the environment, (ii) preservation or reclamation of natural resources, (iii) the management, release or threatened release of any Hazardous Material or (iv) health and safety matters.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Restricted Subsidiary (or, solely in the case of the usage of the term "Environmental Liability" in Section 9.03(c), any Subsidiary) 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.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other similar rights entitling the holder thereof to purchase or acquire any such equity interest, but excluding any debt securities convertible into any of the foregoing.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043 of ERISA with respect to a Plan (other than an event for which the 30 day notice period is waived); (b) the failure to satisfy the "minimum funding standard" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived, with respect to any Plan; (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice indicating an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal of the Borrower or any of its ERISA Affiliates from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate from a Multiemployer Plan of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition upon the Borrower or any of its ERISA Affiliates of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"ESG Amendment" has the meaning assigned to it in Section 2.24(a).

"ESG Pricing Provisions" has the meaning assigned to it in Section 2.24(b).

"ESOP" means a Plan that is intended to satisfy the requirements of Section 4975(e)(7) of the Code.

"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.

"EURIBO Rate" means, with respect to any Term Benchmark Borrowing denominated in euro and for any Interest Period, the EURIBO Screen Rate, two (2) TARGET Days prior to the commencement of such Interest Period.

"EURIBO Screen Rate" means the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed (before any correction, recalculation or republication by the administrator) on page EURIBOR01 of the Reuters screen (or any replacement Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Reuters as published at approximately 11:00 a.m. Brussels time two TARGET Days prior to the commencement of such Interest Period. If such page or service ceases to be available, the Administrative Agent may specify another page or service displaying the relevant rate after consultation with the Borrower.

"euro" and/or "€" means the single currency of the Participating Member States.

"Event of Default" has the meaning assigned to such term in Section 7.01.

"Excluded Accounts" has the meaning assigned to such term in the Security Agreement.

"Excluded Assets" means: (1) any fee-owned real property and all leasehold interests in real property (including that there shall be no requirements to deliver landlord lien waivers, estoppels and collateral access letters), (2) any "intent-to-use" application for registration of a trademark filed pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. § 1051, prior to the filing of a "Statement of Use" pursuant to Section 1(d) of the Lanham Act of an "Amendment to Allege Use" pursuant to Section 1(c) of the Lanham Act with respect thereto, solely to the extent, if any, that and solely during the period, if any, in which, the grant of a security interest therein would impair the validity or enforceability of any registration that issues from such intent-to-use application under applicable federal law, (3) assets in respect of which pledges and security interests are (i) are prohibited or restricted by (A) any law or regulation or (B) any contractual obligation (including any requirement to obtain the consent of any third party) (other than the Borrower or any Restricted Subsidiary)) that, in the case of this clause (B), exists on the Effective Date or at the time the relevant Subsidiary Guarantor becomes a Subsidiary Guarantor and was not incurred in contemplation of its becoming a Subsidiary Guarantor (including pursuant to assumed Indebtedness so long as such Indebtedness is permitted to be assumed hereunder) (other than to the extent that such prohibition would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408, 9-409 or other applicable provisions of the UCC of any relevant jurisdiction or any other applicable law); provided that, immediately upon the ineffectiveness, lapse or termination of any such prohibitions, such assets shall automatically cease to constitute Excluded Assets, or (ii) would require a governmental (including regulatory) consent, approval, license or authorization in order to provide the lien that is required on the Effective Date or at the time the relevant Subsidiary Guarantor becomes a Subsidiary Guarantor, (4) Equity Interests in any entity other than Wholly-Owned Restricted Subsidiaries to the extent pledges thereof are not permitted by such entity's organizational or joint venture documents (unless any such restriction would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408, 9-409 or other applicable provisions of the UCC of any relevant jurisdiction or any other applicable law), (5) assets subject to certificates of title (other than motor vehicles subject to certificates of title; *provided* that perfection of security interests in such motor vehicles shall be limited to the filing of UCC financing statements), letter of credit rights (other than to the extent the security interest in such letter of credit right may be perfected by the filing of UCC financing statements) with a value of less than $10,000,000 and commercial tort claims with a value of less than $10,000,000, (6) any lease, license or other agreement or any property subject to a purchase money security interest or similar arrangement to the extent that a grant of a security interest therein would violate or invalidate such lease, license or agreement or purchase money arrangement or create a right of termination in favor of any other party thereto (other than the Borrower or a Subsidiary Guarantor) (other than (x) proceeds and receivables thereof, the assignment of which is expressly deemed effective under the UCC notwithstanding such prohibition, (y) to the extent that any such term has been waived or (z) to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408, 9-409 or other applicable provisions of the UCC of any relevant jurisdiction or any other applicable law); *provided* that, immediately upon the ineffectiveness, lapse or termination of any such term, such assets shall automatically cease to constitute Excluded Assets, (7) trust accounts, payroll accounts, custodial accounts, escrow accounts and other similar deposit or securities accounts (including any securities accounts used for permitted share repurchases and Excluded Accounts), (8) foreign assets (other than pledges of Pledge Subsidiaries not in excess of the relevant percentages set forth in Section 5.09(b)), (9) Equity Interests in Subsidiaries that are not Pledge Subsidiaries, or in Pledge Subsidiaries in excess of the relevant percentages set forth in Section 5.09(b), (10) those assets as to which the Administrative Agent and the Borrower reasonably agree that the cost, burden, difficulty or consequence of obtaining such a security interest or perfection thereof outweighs, or are excessive in relation to, the practical benefit to the Lenders of the security to be afforded thereby, (11) 794 shares of common stock of Dana Holding Corporation owned by the Borrower, and (12) Permitted Supply Chain Financing Receivables. Notwithstanding the foregoing, Excluded Assets shall not include any proceeds, products, substitutions or replacements of Excluded Assets (unless such proceeds, products, substitutions or replacements would otherwise constitute Excluded Assets).

"Excluded Subsidiary" means: (a) any CFC Holding Company or CFC, (b) any Subsidiary whose Equity Interests are owned directly or indirectly by a CFC Holding Company or a CFC and (c) any Unrestricted Subsidiary.

"Excluded Swap Obligation" means, with respect to any Loan Party, any Specified Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Loan Party of, or the grant by such Loan Party of a security interest to secure, such Specified Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Loan Party's failure for any reason to constitute an ECP at the time the Guarantee of such Loan Party or the grant of such security interest becomes or would become effective with respect to such Specified Swap Obligation. If a Specified Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Specified Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable 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, Letter of Credit or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan, Letter of Credit or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.19(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.17, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender acquired the applicable interest in a Loan, Letter of Credit or Commitment or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.17(f) and (d) any withholding Taxes imposed under FATCA.

"Existing Credit Agreement" means that certain Credit Agreement, dated as of October 28, 2015 (and amended on December 10, 2018 and March 4, 2022), between, among others, the Borrower and JPMorgan Chase Bank, N.A. as Administrative Agent.

"Existing Letters of Credit" means the letters of credit listed in Schedule 2.06.

"Existing Maturity Date" has the meaning assigned to it in Section 2.23(a).

"Extending Lender" has the meaning assigned to it in Section 2.23(b).

"Extended Maturity Date" has the meaning assigned to it in Section 2.23(a).

"Extension Availability Period" means the period beginning on the Effective Date and ending on the five year anniversary thereof.

"Extension Date" has the meaning assigned to it in Section 2.23(a).

"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, any agreement 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 Effective Rate" means, for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depositary institutions, as determined in such manner as shall be set forth on the NYFRB's Website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate; provided that if the Federal Funds Effective Rate as so determined would be less than 0%, such rate shall be deemed to be 0% for the purposes of this Agreement.

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

"Financial Officer" means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower or any other Person designated as a "Financial Officer" by any of the foregoing officers in writing to the Administrative Agent and reasonably acceptable to the Administrative Agent.

"Financials" means the annual or quarterly financial statements, and accompanying certificates and other documents, of the Borrower and its Restricted Subsidiaries required to be delivered pursuant to Section 5.01(a) or 5.01(b).

"First Lien Net Leverage Ratio" means the ratio, as of any date of determination, of (a)(x) Consolidated First Lien Indebtedness minus (y) Liquidity as of the last day of the most recently ended Test Period to (b) Consolidated EBITDA for the Test Period then most recently ended, in each case of the Borrower and its Restricted Subsidiaries on a consolidated basis.

"First Tier Foreign Subsidiary" means each direct Foreign Subsidiary of any one or more of the Borrower and its Domestic Subsidiaries.

"Fixed Incremental Amount" means, as of any date of determination, an amount equal to (a) the greater of (i) $168,000,000 and (ii) 100% of Consolidated EBITDA for the most recently ended Test Period less (b) the amount of any previous increase in the Revolving Commitments and Incremental Term Loans incurred in reliance on the Fixed Incremental Amount.

"Floor" means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Adjusted Term SOFR Rate, the Adjusted EURIBO Rate, the ~~CDOR~~**Adjusted Term CORRA** Rate, each Adjusted Daily Simple RFR or the Central Bank Rate, as applicable. For the avoidance of doubt, the initial Floor for each of the Adjusted Term SOFR Rate, the Adjusted EURIBO Rate, the ~~CDOR~~**Adjusted Term CORRA** Rate, each Adjusted Daily Simple RFR or the Central Bank Rate shall be 0%.

"Foreign Currencies" means Agreed Currencies other than Dollars.

"Foreign Currency Letter of Credit" means a Letter of Credit denominated in a Foreign Currency.

"Foreign Currency Payment Office" of the Administrative Agent shall mean, for each Foreign Currency, the office, branch, affiliate or correspondent bank of the Administrative Agent for such currency as specified from time to time by the Administrative Agent to the Borrower and each Lender.

"Foreign Lender" means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

"Foreign Subsidiary" means any Subsidiary which is not organized under the laws of a jurisdiction located in the United States of America.

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

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

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee shall be deemed to be an amount equal to the lesser of (a) the stated or determinable amount of the primary payment obligation in respect of which such Guarantee is made and (b) the maximum amount for which the guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Guarantee, unless such primary payment obligation and the maximum amount for which such guaranteeing Person may be liable are not stated or determinable, in which case the amount of the Guarantee shall be such guaranteeing Person's maximum reasonably possible liability in respect thereof as reasonably determined by the Borrower in good faith.

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

"Increasing Lender" has the meaning assigned to such term in Section 2.20.

"Incremental Cap" means the sum of:

(a) the Fixed Incremental Amount, plus

(b) the amount of any voluntary prepayment of any Term Loan in accordance with Section 2.11(a) and/or the amount of any permanent reduction of any Revolving Commitment; provided that the relevant prepayment was not funded with the proceeds of any long-term Indebtedness, plus

(c) an unlimited amount so long as, in the case of this clause (c), after giving effect (including pro forma effect) to the relevant increase of the Revolving Commitment or Incremental Term Loans, the First Lien Net Leverage Ratio does not exceed 2.50 to 1.00, calculated on a pro forma basis, including to give effect to any Acquisition or other transaction consummated in connection therewith and the application of the proceeds thereof, and assuming a full drawing of any increase of Revolving Commitments or Incremental Term Loans incurred (but excluding the proceeds thereof for purposes of calculating the Liquidity component of the First Lien Net Leverage Ratio). Further, for the avoidance of doubt, Revolving Commitment increases and Incremental Term Loans may be incurred pursuant to this clause (c) prior to utilization of the amount set forth in clause (a) or clause (b) of this definition;

provided that:

(i) any Revolving Commitment increase and/or Incremental Term Loans may be incurred under one or more of clauses (a), (b) and (c) of this definition as selected by the Borrower in its sole discretion; and

(ii) if any Revolving Commitment increase and/or Incremental Term Loans is intended to be incurred or implemented in reliance on clause (c) of this definition and any other clause of this definition substantially concurrently in a single transaction or series of related transactions, (A) the permissibility of the portion of such Revolving Commitment increase and/or Incremental Term Loans to be incurred or implemented under clause (c) of this definition shall be calculated first without giving effect to any Revolving Commitment increase and/or Incremental Term Loans to be incurred or implemented in reliance on any other clause of this definition, but giving full pro forma effect to the use of proceeds of the entire amount of the loans and commitments that will be incurred or implemented at such time in reliance on such Revolving Commitment increase and/or Incremental Term Loans and the related transactions and (B) the permissibility of the portion of such Revolving Commitment increase and/or Incremental Term Loans to be incurred or implemented under the other applicable clauses of this definition shall be calculated thereafter.

"Incremental Term Loan" has the meaning assigned to such term in Section 2.20.

"Incremental Term Loan Amendment" has the meaning assigned to such term in Section 2.20.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) the principal amount of all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid (excluding current accounts payable incurred in the ordinary course of business), (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding (x) accounts payable incurred in the ordinary course of business, (y) any earn-out, deferred or similar obligations until such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP and if not paid after becoming due and payable and (z) expenses accrued in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed; provided, that, if such Person has not assumed or otherwise become liable in respect of such Indebtedness, such obligations shall be deemed to be in an amount equal to the lesser of (i) the amount of such Indebtedness and (ii) the fair market value of such property at the time of determination (in the Borrower's good faith estimate), (g) all Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (j) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances and (k) all obligations of such Person under Sale and Leaseback Transactions. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor. The amount of Indebtedness (including any Guarantees constituting Indebtedness) for which recourse is limited either to a specified amount or to an identified asset of such Person shall be deemed to be equal to the lesser of (x) such specified amount and (y) the fair market value of such identified asset as determined by such Person in good faith. Notwithstanding anything to the contrary in this definition, the term "Indebtedness" shall not include (i) deferred or prepaid revenue, (ii) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the respective seller, (iii) obligations under sale and leaseback transactions to the extent such obligations are not reflected as a liability on the consolidated balance sheet of the Borrower or (iv) obligations under any Swap Agreements.

"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) hereof, Other Taxes.

"Indemnitee" has the meaning assigned to such term in Section 9.03(c).

"Ineligible Institution" has the meaning assigned to such term in Section 9.04(b).

"Information" has the meaning assigned to such term in Section 9.12.

"Information Memorandum" means the Confidential Information Memorandum dated May 2022 relating to the Borrower and the Transactions.

"Interest Coverage Ratio" has the meaning assigned to such term in Section 6.13(b).

"Interest Election Request" means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.08, which shall be substantially in the form attached hereto as Exhibit F-2 or any other form approved by the Administrative Agent.

"Interest Payment Date" means (a) with respect to any ABR Loan (other than a Swingline Loan) and any Loan that bears interest at the Canadian Prime Rate, the last day of each March, June, September and December and the Maturity Date, (b) with respect to any RFR Loan, each date that is on the numerically corresponding day in each calendar month that is one month after the Borrowing of such RFR Loan (or, if there is no such numerically corresponding day in such month, then the last day of such month) and the Maturity Date, (c) with respect to any Term Benchmark Loan, the last day of each Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Term Benchmark Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period and the Maturity Date and (d) with respect to any Swingline Loan, the day that such Loan is required to be repaid and the Maturity Date.

"Interest Period" means with respect to any Term Benchmark Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is (a) one month thereafter, (b) three months thereafter, or (c) other than with respect to a ~~CDOR Rate~~**a Term Benchmark** Borrowing **denominated in Canadian Dollars**, six months thereafter (in each case, subject to the availability for the Benchmark applicable to the relevant Loan or Commitment for any Agreed Currency), as the Borrower may elect; provided that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period, (iii) no tenor that has been removed from this definition pursuant to Section 2.14(e) shall be available for specification in such Borrowing Request or Interest Election Request, and (iv) if requested by the Borrower and acceptable to each Lender and the Administrative Agent, the duration of any available Interest Period specified in clause (a), (b) or (c) above may be adjusted by no more than five calendar days. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"IRS" means the United States Internal Revenue Service.

"Issuing Bank" means (a) JPMorgan Chase Bank, N.A., Bank of America, N.A. and Wells Fargo Bank, National Association (in each case, through itself or through one of its designated affiliates or branch offices), each in its capacity as the issuer of Letters of Credit hereunder, and (b) with respect to the Existing Letters of Credit, JPMorgan Chase Bank, N.A., in each case together with its successors in such capacity as provided in Section 2.06(i). Any Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term "Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate. Each reference herein to the "Issuing Bank" in connection with a Letter of Credit or other matter shall be deemed to be a reference to the relevant Issuing Bank with respect thereto, and, further, references herein to "the Issuing Bank" shall be deemed to refer to each of the Issuing Banks or the relevant Issuing Bank, as the context requires.

"LC Collateral Account" has the meaning assigned to such term in Section 2.06(j).

"LC Disbursement" means a payment made by the Issuing Bank pursuant to a Letter of Credit.

"LC Exposure" means, at any time, the sum of (a) the aggregate undrawn Dollar Amount of all outstanding Letters of Credit at such time plus (b) the aggregate Dollar Amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Revolving Lender at any time shall be its Applicable Percentage of the LC Exposure at such time. 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 Article 29(a) of the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce Publication No. 600 (or such later version thereof as may be in effect at the applicable time) or Rule 3.13 or Rule 3.14 of the International Standby Practices, International Chamber of Commerce Publication No. 590 (or such later version thereof as may be in effect at the applicable time) or similar terms of the Letter of Credit itself, or if compliant documents have been presented but not yet honored, such Letter of Credit shall be deemed to be "outstanding" and "undrawn" in the amount so remaining available to be paid, and the obligations of the Borrower and each Revolving Lender shall remain in full force and effect until the Issuing Bank and the Revolving Lenders shall have no further obligations to make any payments or disbursements under any circumstances with respect to any Letter of Credit.

"Lender Notice Date" has the meaning assigned to it in Section 2.23(b).

"Lender Parent" means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

"Lender-Related Person" has the meaning assigned to such term in Section 9.03(b).

"Lenders" means the Persons listed on Schedule 2.01 and any other Person that shall have become a Lender hereunder pursuant to Section 2.20 or pursuant to an Assignment and Assumption or otherwise, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption or otherwise. Unless the context otherwise requires, the term "Lenders" includes the Swingline Lender and the Issuing Bank.

"Letter of Credit" means any letter of credit issued pursuant to this Agreement.

"Letter of Credit Agreement" has the meaning assigned to such term in Section 2.06(b).

"Liabilities" means any losses, claims (including intraparty claims), demands, damages or liabilities of any kind.

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

"Liquidity" means, as of any date of determination, the aggregate amount of unrestricted and unencumbered (other than Liens securing the Secured Obligations and Permitted Encumbrances) cash and Permitted Investments maintained by the Borrower and its Restricted Subsidiaries as of such date.

"Loan Documents" means this Agreement (including schedules and exhibits hereto), any promissory notes issued pursuant to Section 2.10(e), any Letter of Credit applications, any Letter of Credit Agreement, the Collateral Documents, the Subsidiary Guaranty, and all other agreements, instruments, documents and certificates identified in Section 4.01 executed and delivered to, or in favor of, the Administrative Agent or any Lenders and including all other pledges, powers of attorney, consents, assignments, contracts, notices, letter of credit agreements and all other written matter whether heretofore, now or hereafter executed by or on behalf of any Loan Party, or any employee of any Loan Party, and delivered to the Administrative Agent or any Lender in connection with this Agreement or the transactions contemplated hereby. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

"Loan Parties" means, collectively, the Borrower and the Subsidiary Guarantors.

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

"Local Time" means (i) New York City time in the case of a Loan, Borrowing or LC Disbursement denominated in Dollars and (ii) local time in the case of a Loan, Borrowing or LC Disbursement denominated in a Foreign Currency (it being understood that such local time shall mean (a) London, England time with respect to any Foreign Currency (other than euro and Canadian Dollars), (b) Brussels, Belgium time with respect to euro and (c) Toronto, Canada time with respect to Canadian Dollars, in each case of the foregoing clauses (a), (b) and (c) unless otherwise notified by the Administrative Agent).

"Margin Stock" means margin stock within the meaning of Regulations T, U and X, as applicable.

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, operations or financial condition of the Borrower and the Restricted Subsidiaries taken as a whole, (b) the ability of the Borrower to perform any of its material obligations under this Agreement or any other Loan Document or (c) the validity or enforceability of this Agreement or any and all other Loan Documents or the rights or remedies of the Administrative Agent and the Lenders hereunder or thereunder.

"Material Domestic Subsidiary" means each Domestic Subsidiary (other than an Excluded Subsidiary) (i) which, as of the most recent fiscal quarter of the Borrower, for the period of four consecutive fiscal quarters then ended, for which financial statements have been delivered pursuant to Section 5.01(a) or (b) (or, if prior to the date of the delivery of the first financial statements to be delivered pursuant to Section 5.01(a) or (b), the most recent financial statements referred to in Section 3.04(a)), contributed greater than five percent (5%) of Consolidated EBITDA for such period or (ii) which contributed greater than five percent (5%) of Consolidated Total Assets as of such date; provided that, if at any time the aggregate amount of Consolidated EBITDA or Consolidated Total Assets attributable to all Domestic Subsidiaries that are not Material Domestic Subsidiaries exceeds 10% of Consolidated EBITDA for any such period or 10% of Consolidated Total Assets as of the end of any such fiscal quarter, the Borrower (or, in the event the Borrower has failed to do so within ten (10) days, the Administrative Agent) shall designate sufficient Domestic Subsidiaries as "Material Domestic Subsidiaries" to eliminate such excess, and such designated Subsidiaries shall for all purposes of this Agreement constitute Material Domestic Subsidiaries.

"Material Foreign Subsidiary" means each Foreign Subsidiary (i) which, as of the most recent fiscal quarter of the Borrower, for the period of four consecutive fiscal quarters then ended, for which financial statements have been delivered pursuant to Section 5.01(a) or (b) (or, if prior to the date of the delivery of the first financial statements to be delivered pursuant to Section 5.01(a) or (b), the most recent financial statements referred to in Section 3.04(a)), contributed greater than five percent (5%) of Consolidated EBITDA for such period or (ii) which contributed greater than five percent (5%) of Consolidated Total Assets as of such date.

"Material Indebtedness" means Indebtedness (other than the Loans and Letters of Credit), or obligations in respect of one or more Swap Agreements, of any one or more of the Borrower and its Restricted Subsidiaries in an aggregate principal amount exceeding $20,000,000. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of the Borrower or any Restricted Subsidiary in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Restricted Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

"Material Intellectual Property" means intellectual property that is material to the business operations of the Borrower and its Restricted Subsidiaries taken as a whole.

"Material Subsidiary" means a Material Domestic Subsidiary or a Material Foreign Subsidiary.

"Maturity Date" means with respect to any Lender, the later of (i) June 1, 2027 and (ii) if the Maturity Date is extended for such Lender pursuant to Section 2.23, such extended Maturity Date as determined pursuant to such Section 2.23; provided, however, in each case, if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day.

"Maximum Rate" has the meaning assigned to such term in Section 9.16.

"Moody's" means Moody's Investors Service, Inc.

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

"Net Proceeds" means, with respect to any event, (a) the cash proceeds received in respect of such event including (i) any cash received in respect of any non-cash proceeds (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but excluding any interest payments), but only as and when received, (ii) in the case of a casualty, cash insurance proceeds and (iii) in the case of a condemnation or similar event, cash condemnation awards and similar cash payments, net of (b) the sum of (i) all reasonable fees and out-of-pocket expenses and underwriting discounts and commissions paid to third parties (other than Affiliates) in connection with such event, (ii) in the case of a sale, transfer or other disposition of an asset (including pursuant to a Sale and Leaseback Transaction or a casualty or a condemnation or similar proceeding), the amount of all payments required to be made as a result of such event to repay Indebtedness (other than Loans) secured by such asset or otherwise subject to mandatory prepayment as a result of such event and (iii) the amount of all taxes paid (or reasonably estimated to be payable) and the amount of any reserves established to fund contingent liabilities reasonably estimated to be payable, in each case during the year that such event occurred or the next succeeding year and that are directly attributable to such event (as determined reasonably and in good faith by a Financial Officer).

"Non-Consenting Lender" has the meaning assigned to such term in Section 9.02(e).

"Non-Extending Lender" has the meaning assigned to it in Section 2.23(b).

"NYFRB" means the Federal Reserve Bank of New York.

"NYFRB Rate" means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term "NYFRB Rate" means the rate for a federal funds transaction quoted at 11:00 a.m., New York City time, on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates as so determined would be less than 0%, such rate shall be deemed to be 0% for purposes of this Agreement.

"NYFRB's Website" means the website of the NYFRB at http://www.newyorkfed.org, or any successor source.

"Obligations" means all unpaid principal of and accrued and unpaid interest on the Loans, all LC Exposure, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations and indebtedness (including interest and fees accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), obligations and liabilities of any of the Borrower and its Restricted Subsidiaries to any of the Lenders, the Administrative Agent, the Issuing Bank or any indemnified party, individually or collectively, existing on the Effective Date or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise, arising or incurred under this Agreement or any of the other Loan Documents or in respect of any of the Loans made or reimbursement or other obligations incurred or any of the Letters of Credit or other instruments at any time evidencing any thereof.

"OFAC" means the Office of Foreign Assets Control of the U.S. Department of the Treasury.

"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, Letter of Credit 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 2.19).

"Overnight Bank Funding Rate" means, for any day, the rate comprised of both overnight federal funds and overnight eurodollar transactions denominated in Dollars by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on the NYFRB's Website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

"Overnight Rate" means, for any day, (a) with respect to any amount denominated in Dollars, the NYFRB Rate and (b) with respect to any amount denominated in a Foreign Currency, an overnight rate determined by the Administrative Agent or the Issuing Bank, as the case may be, in accordance with banking industry rules on interbank compensation.

"Participant" has the meaning assigned to such term in Section 9.04(c).

"Participant Register" has the meaning assigned to such term in Section 9.04(c).

"Participating Member State" means any member state of the European Union that has adopted the euro as its lawful currency in accordance with legislation of the European Union relating to economic and monetary union.

"Patriot Act" means the USA PATRIOT Act of 2001.

"Payment" has the meaning assigned to such term in Section 8.06(c).

"Payment Notice" has the meaning assigned to such term in Section 8.06(c).

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Periodic Term CORRA Determination Day" has the meaning assigned to such term in the definition of "Term CORRA."

"Permitted Acquisition" means any Acquisition, if, at the time of and immediately after giving effect thereto, (a) no Event of Default has occurred and is continuing or would arise immediately after giving effect (including giving effect on a pro forma basis) thereto, (b) the business of the Person whose Equity Interests are being acquired or the division or line of business being acquired or relating to the assets acquired is engaged in the same or a similar line of business as the Borrower and the Restricted Subsidiaries or business reasonably related thereto, (c) all actions required to be taken with respect to such acquired or newly formed Restricted Subsidiary under Section 5.09 shall have been taken or will be taken within the periods permitted under Section 5.09, (d) the Borrower and the Restricted Subsidiaries are in compliance, on a pro forma basis, with the covenants contained in Section 6.13 recomputed as of the last day of the most recently ended fiscal quarter of the Borrower for which financial statements are available, as if such Acquisition (and any related incurrence or repayment of Indebtedness, with any new Indebtedness being deemed to be amortized over the applicable testing period in accordance with its terms) had occurred on the first day of each relevant period for testing such compliance and if the aggregate consideration paid in respect of such Acquisition exceeds $25,000,000, the Borrower shall have delivered to the Administrative Agent a certificate of a Financial Officer of the Borrower to such effect together with all relevant financial information, statements and projections reasonably requested by the Administrative Agent and (e) in the case of a merger or consolidation involving the Borrower or a Restricted Subsidiary, the Borrower or such Restricted Subsidiary is the surviving entity of such merger and/or consolidation.

"Permitted Encumbrances" means:

(a) Liens imposed by law for Taxes that are not yet due or are being contested in compliance with Section 5.04;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than sixty (60) days or are being contested in compliance with Section 5.04;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security or retirement benefits laws, to secure liability to insurance carriers under insurance of self-insurance arrangements or regulations or employment laws or to secure other public, statutory or regulatory regulations;

(d) pledges and deposits to secure the performance of bids, trade contracts, government contracts, leases, statutory obligations, customer deposit and advances, surety, customs and appeal bonds, performance and completion bonds and other obligations of a like nature, in each case in the ordinary course of business, and Liens to secure letters of credit or bank guarantees supporting any of the foregoing;

(e) judgment Liens in respect of judgments that do not constitute an Event of Default under Section 7.01(k) or Liens securing appeal or surety bonds related to such judgments;

(f) easements, zoning restrictions, rights-of-way and similar charges or encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or materially interfere with the ordinary conduct of business of the Borrower or any Restricted Subsidiary and immaterial title defects or irregularities that do not materially detract from the value of the affected property or materially interfere with the use of such property;

(g) leases, licenses, subleases or sublicenses granted to third parties in the ordinary course of business and not interfering in any material respect with the ordinary conduct of business of the Borrower or any Restricted Subsidiary;

(h) Liens in favor of a banking or other financial institution arising as a matter of law or in the ordinary course of business under customary general terms and conditions encumbering deposits or other funds maintained with a financial institution (including the right of setoff) and that are within the general parameters customary in the banking industry or arising pursuant to such banking institution's general terms and conditions;

(i) Liens on specific items of inventory or other goods (other than fixed or capital assets) and proceeds thereof of any Person securing such Person's obligations in respect of bankers' acceptances or letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods in the ordinary course of business;

(j) Liens and deposits in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business so long as such Liens only cover the related goods;

(k) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(l) any interest or title of a landlord, lessor or sublessor under any lease of real estate or any Lien affecting solely the interest of the landlord, lessor or sublessor;

(m) purported Liens evidenced by the filing of precautionary UCC financing statements or similar filings relating to operating leases of personal property entered into by the Borrower or any of its Subsidiaries in the ordinary course of business;

(n) liens on the Borrower's publicly-held stock which is held in trust for the Borrower's ESOP; and

(o) security given to a public utility or any municipality or Governmental Authority when required by such utility or authority in connection with the operations of that Person, in each case, in the ordinary course of business;

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"Permitted Investments" means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America);

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody's;

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

(d) fully collateralized repurchase agreements with a term of not more than thirty (30) days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above;

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

(f) without duplication of clauses (a) through (e) above, cash equivalents as determined in accordance with GAAP;

(g) in the case of any Foreign Subsidiary, the cash and cash equivalents that are substantially equivalent in such jurisdiction to those described in clauses (a) through (f) above in respect of each country that is a member of the Organization for Economic Co-operation and Development;

(h) shares of mutual funds whose investment guidelines restrict at least 95% of such funds' investments to those satisfying the provisions of clauses (a) through (g) above; and

(i) other short-term liquid investments approved in writing by the Administrative Agent.

"Permitted Sale Leasebacks" means any Sale and Leaseback Transaction with respect to the sale, transfer or disposition of property consummated by the Borrower or any of its Restricted Subsidiaries after the Effective Date; provided that any such Sale and Leaseback Transaction (a) is not between the Borrower and a Subsidiary and (b) is, in each case, consummated for fair market value as determined at the time of consummation in good faith by the Borrower (which such determination may take into account any retained interest or other investment of the Borrower or such Restricted Subsidiary in connection with, and any other material economic terms of, such Sale and Leaseback Transaction).

"Permitted Supply Chain Financing" means a supply-chain financing transaction whereby the Borrower or any of its Subsidiaries sells to a third-party purchaser all or a portion of the accounts receivable owing to the Borrower or such Subsidiary from a designated customer of the Borrower or such Subsidiary (but, for the avoidance of doubt, not a sale or sales of all accounts receivable of the Borrower or any of its Subsidiaries generally); provided that:

(a) such transaction shall be evidenced by a receivables purchase agreement or other similar documentation on terms and conditions customary for supply-chain financing arrangements;

(b) the proceeds of such sales are received in cash and are in an amount equal to the face value of the sold accounts receivable, net of a commercially reasonable and customary discount rate based on then current market conditions, in each case, in the reasonable judgment of the Borrower; and

(c) such sales are structured, and are intended to be treated, as true sales of accounts receivable without recourse to the Borrower or its Subsidiaries other than limited recourse typical of such transactions resulting from the breach of appropriate representations, warranties or covenants by the Borrower or any selling Subsidiary, as applicable, with respect to the sold accounts receivable; and

"Permitted Supply Chain Financing Receivables" means any account receivable sold by the Borrower and/or any Subsidiary to a counterparty institution in connection with a Permitted Supply Chain Financing.

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

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Plan Asset Regulations" means 29 CFR § 2510.3-101 *et seq.*, as modified by Section 3(42) of ERISA, as amended from time to time.

"Pledge Subsidiary" means (i) each Domestic Subsidiary (other than CFC Holding Companies) and (ii) each First Tier Foreign Subsidiary which is a Material Foreign Subsidiary.

"Pounds Sterling" or "£" means the lawful currency of the United Kingdom.

"Prepayment Event" means:

(a) any sale, transfer or other disposition (including pursuant to a sale and leaseback transaction) of any property or asset of the Borrower or any Restricted Subsidiary made pursuant to Section 6.04(o); or

(b) any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of the Borrower or any Restricted Subsidiary; or

(c) the incurrence by the Borrower or any Restricted Subsidiary of any Indebtedness (other than Loans), other than Indebtedness permitted under Section 6.01 or permitted by the Required Lenders pursuant to Section 9.02.

"Prime Rate" means the rate of interest last quoted by The Wall Street Journal as the "Prime Rate" in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

"Proceeding" means any claim, litigation, investigation, action, suit, arbitration or administrative, judicial or regulatory action or proceeding in any jurisdiction.

"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.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

"QFC Credit Support" has the meaning assigned to it in Section 9.19.

"Qualifying Material Acquisition" means an Acquisition in which the aggregate consideration paid in connection with such Acquisition (including all cash consideration paid, all transaction costs incurred and all Indebtedness incurred or assumed in connection therewith, and the maximum amount payable under any earn-out obligations in connection therewith as reasonably calculated on the date of such Acquisition) equals or exceeds $100,000,000.

"Recipient" means (a) the Administrative Agent, (b) any Lender and (c) the Issuing Bank, as applicable.

"Reference Time" with respect to any setting of the then-current Benchmark means (i) if such Benchmark is the Term SOFR Rate, 5:00 a.m., Chicago time, on the day that is two (2) Business Days preceding the date of such setting, (ii) if such Benchmark is the EURIBO Rate, 11:00 a.m., Brussels time two (2) TARGET Days preceding the date of such setting, (iii) if the RFR for such Benchmark is SONIA, then four (4) Business Days prior to such setting, (iv) if the RFR for such Benchmark is SARON, then five (5) Business Days prior to such setting, (v) if**, following a Benchmark Transition Event and Benchmark Replacement Date with respect to the Term SOFR Rate,** the RFR for such Benchmark is Daily Simple SOFR, then four (4) Business Days prior to such setting~~ or~~**,** (vi**) if, following a Benchmark Transition Event and Benchmark Replacement Date with respect to Term CORRA, the RFR for such Benchmark is Daily Simple CORRA, then four RFR Business Days prior to such setting, (vii) if such Benchmark is Term CORRA, 1:00 p.m. Toronto local time on the day that is two Business Days preceding the date of such setting or (viii**) if such Benchmark is none of the Term SOFR Rate, Daily Simple SOFR, the EURIBO Rate, SONIA~~ or~~**,** SARON, **Term CORRA or Daily Simple CORRA,** the time determined by the Administrative Agent in its reasonable discretion.

"Register" has the meaning assigned to such term in Section 9.04(b)(iv).

"Regulation D" means Regulation D of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Regulation T" means Regulation T of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Regulation U" means Regulation U of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Regulation X" means Regulation X of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Relevant Governmental Body" means (i) with respect to a Benchmark Replacement in respect of Loans denominated in Dollars, the Federal Reserve Board, the NYFRB and/or the CME Term SOFR Administrator, as applicable, or a committee officially endorsed or convened by the Federal Reserve Board and/or the NYFRB or, in each case, any successor thereto, (ii) with respect to a Benchmark Replacement in respect of Loans denominated in Pounds Sterling, the Bank of England, or a committee officially endorsed or convened by the Bank of England or, in each case, any successor thereto, (iii) with respect to a Benchmark Replacement in respect of Loans denominated in euro, the European Central Bank, or a committee officially endorsed or convened by the European Central Bank or, in each case, any successor thereto, (iv) with respect to a Benchmark Replacement in respect of Loans denominated in Swiss Francs, the Swiss National Bank, or a committee officially endorsed or convened by the Swiss National Bank or, in each case, any successor thereto, and (v) with respect to a Benchmark Replacement in respect of Loans denominated in any other currency, (a) the central bank for the currency in which such Benchmark Replacement is denominated or any central bank or other supervisor which is responsible for supervising either (1) such Benchmark Replacement or (2) the administrator of such Benchmark Replacement or (b) any working group or committee officially endorsed or convened by (1) the central bank for the currency in which such Benchmark Replacement is denominated, (2) any central bank or other supervisor that is responsible for supervising either (A) such Benchmark Replacement or (B) the administrator of such Benchmark Replacement, (3) a group of those central banks or other supervisors or (4) the Financial Stability Board or any part thereof.

"Relevant Rate" means (i) with respect to any Term Benchmark Borrowing denominated in Dollars, the ~~Adjusted~~ Term SOFR Rate, (ii) with respect to any Term Benchmark Borrowing denominated in euro, the ~~Adjusted~~ EURIBO Rate, (iii) with respect to any Term Benchmark Borrowing denominated in Canadian Dollars, ~~the CDOR Rate~~**Term CORRA** or (iv) with respect to any RFR Borrowing denominated in Pounds Sterling, Swiss Francs ~~or~~**, Dollars or Canadian** Dollars, the applicable ~~Adjusted~~ Daily Simple RFR, as applicable.

"Relevant Screen Rate" means (i) with respect to any Term Benchmark Borrowing denominated in Dollars, the Term SOFR Reference Rate, (ii) with respect to any Term Benchmark Borrowing denominated in euro, the EURIBO Screen Rate, or (iii) with respect to any Term Benchmark Borrowing denominated in Canadian Dollars, ~~the CDOR Screen Rate~~**Term CORRA**, as applicable.

"Required Lenders" means, subject to Section 2.22, (a) at any time prior to the earlier of the Loans becoming due and payable pursuant to Section 7.02 or the Revolving Commitments terminating or expiring, Lenders having Credit Exposures and Unfunded Commitments representing more than 50% of the sum of the total Credit Exposures and Unfunded Commitments at such time; provided that, solely for purposes of declaring the Loans to be due and payable pursuant to Section 7.02, the Unfunded Commitment of each Revolving Lender shall be deemed to be zero; and (b) for all purposes after the Loans become due and payable pursuant to Section 7.02 or the Revolving Commitments expire or terminate, Lenders having Credit Exposures representing more than 50% of the sum of the total Credit Exposures at such time, provided that, in the case of clauses (a) and (b) above, (x) the Revolving Credit Exposure of any Revolving Lender that is the Swingline Lender shall be deemed to exclude any amount of its Swingline Exposure in excess of its Applicable Percentage of all outstanding Swingline Loans, adjusted to give effect to any reallocation under Section 2.22 of the Swingline Exposures of Defaulting Lenders in effect at such time, and the Unfunded Commitment of such Lender shall be determined on the basis of its Revolving Credit Exposure excluding such excess amount and (y) for the purpose of determining the Required Lenders needed for any waiver, amendment, modification or consent of or under this Agreement or any other Loan Document, any Lender that is the Borrower or an Affiliate of the Borrower shall be disregarded.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Responsible Officer" means the president, a Financial Officer or other executive officer of the Borrower.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Borrower or any Restricted Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in the Borrower or any Restricted Subsidiary or any option, warrant or other similar right to acquire any such Equity Interests in the Borrower or any Restricted Subsidiary.

"Restricted Subsidiary" means, as to any Person, any subsidiary of such Person that is not an Unrestricted Subsidiary. Unless otherwise specified, "Restricted Subsidiary" means any Restricted Subsidiary of the Borrower.

"Reuters" means, as applicable, Thomson Reuters Corp., Refinitiv, or any successor thereto.

"Revolving Commitment" means, with respect to each Lender, the amount set forth on Schedule 2.01 opposite such Lender's name under the heading "Revolving Commitment", or in the Assignment and Assumption or other documentation or record (as such term is defined in Section 9-102(a)(70) of the New York UCC) contemplated hereby pursuant to which such Lender shall have assumed its Revolving Commitment, as applicable, and giving effect to (a) any reduction in such amount from time to time pursuant to Section 2.09, (b) any increase or extension from time to time pursuant to Section 2.20 or 2.23 and (c) any reduction or increase in such amount from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04; provided that at no time shall the Revolving Credit Exposure of any Lender exceed its Revolving Commitment. The initial aggregate amount of the Revolving Commitments on the Effective Date is $400,000,000.

"Revolving Credit Exposure" means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender's Revolving Loans, its LC Exposure and its Swingline Exposure at such time.

"Revolving Lender" means, as of any date of determination, each Lender that has a Revolving Commitment or, if the Revolving Commitments have terminated or expired, a Lender with Revolving Credit Exposure.

"Revolving Loan" means a Loan made by a Revolving Lender pursuant to Section 2.01(a).

"RFR" means, for any RFR Loan denominated in (a) Pounds Sterling, SONIA, (b) Swiss Francs, SARON ~~and~~**,** (c) Dollars **(solely following a Benchmark Transition Event and a Benchmark Replacement Date with respect to the Term SOFR Rate)**, Daily Simple SOFR **and (d) Canadian Dollars (solely following a Benchmark Transition Event and a Benchmark Replacement Date with respect to Term CORRA), Daily Simple CORRA**, and when used in reference to any Loan or Borrowing, means that such Loan, or the Loans comprising such Borrowing, bears interest at a rate determined by reference to the applicable Adjusted Daily Simple RFR.

"RFR Borrowing" means, as to any Borrowing, the RFR Loans comprising such Borrowing.

"RFR Business Day" means, for any Loan denominated in (a) Pounds Sterling, any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which banks are closed for general business in London, (b) Swiss Francs, any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which banks are closed for the settlement of payments and foreign exchange transactions in Zurich ~~and~~**,** (c) Dollars, a U.S. Government Securities Business Day **and (d) Canadian Dollars, any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which commercial banks in Toronto are authorized or required to remain closed**.

"RFR Interest Day" has the meaning specified in the definition of "Daily Simple RFR".

"RFR Loan" means a Loan that bears interest at a rate based on the Adjusted Daily Simple RFR.

"S&P" means Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business.

"Sale and Leaseback Transaction" means any sale or other transfer of any property or asset by any Person with the intent to lease such property or asset as lessee.

"Sanctioned Country" means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (at the time of this Agreement, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic, the Crimea Region of Ukraine, Cuba, Iran, North Korea and Syria).

"Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union, any European Union member state, Her Majesty's Treasury of the United Kingdom or other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b), or (d) any Person otherwise the subject of any Sanctions.

"Sanctions" means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State or (b) the United Nations Security Council, the European Union, any European Union member state, Her Majesty's Treasury of the United Kingdom or other relevant sanctions authority.

"SARON" means, with respect to any Business Day, a rate per annum equal to the Swiss Average Rate Overnight for such Business Day published by the SARON Administrator on the SARON Administrator's Website.

"SARON Administrator" means the SIX Swiss Exchange AG (or any successor administrator of the Swiss Average Rate Overnight).

"SARON Administrator's Website" means SIX Swiss Exchange AG's website, currently at https://www.six-group.com, or any successor source for the Swiss Average Rate Overnight identified as such by the SARON Administrator from time to time.

"SEC" means the Securities and Exchange Commission of the United States of America.

"Secured Obligations" means all Obligations, together with all Swap Obligations and Banking Services Obligations owing to one or more Lenders or their respective Affiliates; provided that the definition of "Secured Obligations" shall not create or include any guarantee by any Loan Party of (or grant of security interest by any Loan Party to support, as applicable) any Excluded Swap Obligations of such Loan Party for purposes of determining any obligations of any Loan Party.

"Secured Parties" means the holders of the Secured Obligations from time to time and shall include (i) each Lender and the Issuing Bank in respect of its Loans and LC Exposure respectively, (ii) the Administrative Agent, the Issuing Bank and the Lenders in respect of all other present and future obligations and liabilities of the Borrower and each Subsidiary of every type and description arising under or in connection with this Agreement or any other Loan Document, (iii) each Lender and Affiliate of such Lender in respect of Swap Agreements and Banking Services Agreements entered into with such Person by the Borrower or any Subsidiary, (iv) each indemnified party under Section 9.03 in respect of the obligations and liabilities of the Borrower to such Person hereunder and under the other Loan Documents, and (v) their respective successors and (in the case of a Lender, permitted) transferees and assigns.

"Securities Act" means the United States Securities Act of 1933.

"Security Agreement" means that certain Pledge and Security Agreement (including any and all supplements thereto), dated as of the Effective Date, between the Loan Parties and the Administrative Agent, for the benefit of the Administrative Agent and the other Secured Parties, and any other pledge or security agreement entered into after the date of this Agreement by any other Loan Party (as required by this Agreement or any other Loan Document), or any other Person, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"SLL Principles" has the meaning assigned to it in Section 2.24(b).

"SOFR" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

"SOFR Administrator" means the NYFRB (or a successor administrator of the secured overnight financing rate).

"SOFR Administrator's Website" means the NYFRB's Website, currently at http://www.newyorkfed.org, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

"SOFR Rate Day" has the meaning specified in the definition of "Daily Simple SOFR".

"Solvent" means, as to any Person as of 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 such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts, including contingent 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, including contingent debts and liabilities, beyond such Person's ability to pay such debts and liabilities as they mature and (d) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's property would constitute an unreasonably small capital. The amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"SONIA" means, with respect to any Business Day, a rate per annum equal to the Sterling Overnight Index Average for such Business Day published by the SONIA Administrator on the SONIA Administrator's Website on the immediately succeeding Business Day.

"SONIA Administrator" means the Bank of England (or any successor administrator of the Sterling Overnight Index Average).

"SONIA Administrator's Website" means the Bank of England's website, currently at http://www.bankofengland.co.uk, or any successor source for the Sterling Overnight Index Average identified as such by the SONIA Administrator from time to time.

"Specified Ancillary Obligations" means all obligations and liabilities (including interest and fees accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) of any of the Subsidiaries, existing on the Effective Date or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise, to the Lenders or any of their Affiliates under any Swap Agreement or any Banking Services Agreement; provided that the definition of "Specified Ancillary Obligations" shall not create or include any guarantee by any Loan Party of (or grant of security interest by any Loan Party to support, as applicable) any Excluded Swap Obligations of such Loan Party for purposes of determining any obligations of any Loan Party.

"Specified Spreads" has the meaning assigned to it in Section 2.24(b).

"Specified Swap Obligation" means, with respect to any Loan Party, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act or any rules or regulations promulgated thereunder.

"Statutory Reserve Rate" means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentage (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Federal Reserve Board to which the Administrative Agent is subject with respect to the Adjusted EURIBO Rate for eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D) or any other reserve ratio or analogous requirement of any central banking or financial regulatory authority imposed in respect of the maintenance of the Commitments or the funding of the Loans. Such reserve percentage shall include those imposed pursuant to Regulation D. Term Benchmark Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Subordinated Indebtedness" means any Indebtedness of the Borrower or any Restricted Subsidiary the payment of which is subordinated to payment of the obligations under the Loan Documents.

"Subordinated Indebtedness Documents" means any document, agreement or instrument evidencing any Subordinated Indebtedness or entered into in connection with any Subordinated Indebtedness.

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

"Subsidiary" means any subsidiary of the Borrower.

"Subsidiary Guarantor" means each Material Domestic Subsidiary that is a party to the Subsidiary Guaranty. The Subsidiary Guarantors on the Effective Date are identified as such in Schedule 3.01 hereto.

"Subsidiary Guaranty" means that certain Guaranty dated as of the Effective Date (including any and all supplements thereto) and executed by each Subsidiary Guarantor, as amended, restated, supplemented or otherwise modified from time to time.

"Supported QFC" has the meaning assigned to it in Section 9.19.

"Sustainability Assurance Provider" has the meaning assigned to it in Section 2.24(a).

"Sustainability Structuring Agent" means J.P. Morgan Securities LLC, in its capacity as Sustainability Structuring Agent in connection with the credit facility provided under this Agreement.

"Swap Agreement" means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or the Subsidiaries shall be a Swap Agreement.

"Swap Obligations" means any and all obligations of the Borrower or any Subsidiary, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all Swap Agreements permitted hereunder with a Lender or an Affiliate of a Lender, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any such Swap Agreement transaction.

"Swingline Exposure" means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Lender at any time shall be the sum of (a) its Applicable Percentage of the aggregate principal amount of all Swingline Loans outstanding at such time (excluding, in the case of any Lender that is a Swingline Lender, Swingline Loans made by it that are outstanding at such time to the extent that the other Lenders shall not have funded their participations in such Swingline Loans), adjusted to give effect to any reallocation under Section 2.22 of the Swingline Exposure of Defaulting Lenders in effect at such time, and (b) in the case of any Lender that is a Swingline Lender, the aggregate principal amount of all Swingline Loans made by such Lender outstanding at such time, less the amount of participations funded by the other Revolving Lenders in such Swingline Loans.

"Swingline Lender" means JPMorgan Chase Bank, N.A. (or any of its designated branch offices or affiliates), in its capacity as the lender of Swingline Loans hereunder.

"Swingline Loan" means a Loan made pursuant to Section 2.05.

"Swingline Sublimit" means $25,000,000.

"Swiss Francs" or "CHF" means the lawful currency of Switzerland.

"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), value added taxes, or any other goods and services, use or sales taxes, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Benchmark", when used in reference to any Loan or Borrowing, means that such Loan, or the Loans comprising such Borrowing, bears interest at a rate determined by reference to the Adjusted Term SOFR Rate, the Adjusted EURIBO Rate, or the ~~CDOR~~**Adjusted Term CORRA** Rate.

"Term CORRA" means, for any calculation with respect to any Term Benchmark Borrowing denominated in Canadian Dollars, the Term CORRA Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the "Periodic Term CORRA Determination Day") that is two (2) Business Days prior to the first day of such Interest Period, as such rate is published by the Term CORRA Administrator; *provided*, *however*, that if as of 1:00 p.m. (Toronto time) on any Periodic Term CORRA Determination Day the Term CORRA Reference Rate for the applicable tenor has not been published by the Term CORRA Administrator and a Benchmark Replacement Date with respect to the Term CORRA Reference Rate has not occurred, then Term CORRA will be the Term CORRA Reference Rate for such tenor as published by the Term CORRA Administrator on the first preceding Business Day for which such Term CORRA Reference Rate for such tenor was published by the Term CORRA Administrator so long as such first preceding Business Day is not more than five (5) Business Days prior to such Periodic Term CORRA Determination Day.

"Term CORRA Administrator" means Candeal Benchmark Administration Services Inc., TSX Inc., or any successor administrator.

"Term CORRA Notice" means a notification by the Administrative Agent to the Lenders and the Borrower of the occurrence of a Term CORRA Reelection Event.

"Term CORRA Reelection Event" means the determination by the Administrative Agent that (a) Term CORRA has been recommended for use by the Relevant Governmental Body, (b) the administration of Term CORRA is administratively feasible for the Administrative Agent and (c) a Benchmark Transition Event has previously occurred resulting in a Benchmark Replacement in accordance with Section 2.14(b) that is not Term CORRA.

"Term CORRA Reference Rate" means the forward-looking term rate based on CORRA.

"Term Lender" means, as of any date of determination, each Lender having a Term Loan Commitment or that holds Term Loans.

"Term Loan Commitment" means (a) with respect to any Term Lender, the amount set forth on Schedule 2.01 opposite such Lender's name under the heading "Term Loan Commitment", or in the Assignment and Assumption or other documentation or record (as such term is defined in Section 9-102(a)(70) of the New York UCC) contemplated hereby pursuant to which such Lender shall have assumed its Term Loan Commitment, as applicable, and giving effect to (i) any reduction in such amount from time to time pursuant to Section 2.09 and (ii) any reduction or increase in such amount from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04 and (b) as to all Term Lenders, the aggregate commitments of all Term Lenders to make Term Loans. After advancing the Term Loan, each reference to a Term Lender's Term Loan Commitment shall refer to that Term Lender's Applicable Percentage of the Term Loans. The initial aggregate amount of the Term Loan Commitments on the Effective Date is $100,000,000.

"Term Loans" means the term loans made by the Term Lenders to the Borrower pursuant to Section 2.01(b).

"Term SOFR Determination Day" has the meaning assigned to it under the definition of Term SOFR Reference Rate.

"Term SOFR Rate" means, with respect to any Term Benchmark Borrowing denominated in Dollars and for any tenor comparable to the applicable Interest Period, the Term SOFR Reference Rate at approximately 5:00 a.m., Chicago time, two U.S. Government Securities Business Days prior to the commencement of such tenor comparable to the applicable Interest Period, as such rate is published by the CME Term SOFR Administrator.

"Term SOFR Reference Rate" means, for any day and time (such day, the "Term SOFR Determination Day"), with respect to any Term Benchmark Borrowing denominated in Dollars and for any tenor comparable to the applicable Interest Period, the rate per annum determined by the Administrative Agent as the forward-looking term rate based on SOFR. If by 5:00 pm (New York City time) on such Term SOFR Determination Day, the "Term SOFR Reference Rate" for the applicable tenor has not been published by the CME Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Rate has not occurred, then the Term SOFR Reference Rate for such Term SOFR Determination Day will be the Term SOFR Reference Rate as published in respect of the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate was published by the CME Term SOFR Administrator, so long as such first preceding Business Day is not more than five (5) Business Days prior to such Term SOFR Determination Day.

"Test Period" means, as of any date, the period of four consecutive fiscal quarters then most recently ended for which financial statements under Section 5.01(a) or Section 5.01 (b), as applicable, have been delivered (or are required to have been delivered) (or, if prior to the date of the delivery of the first financial statements to be delivered pursuant to Section 5.01(a) or (b), the most recent financial statements referred to in Section 3.04(a)).

"Total Net Leverage Ratio" means the ratio, as of any date of determination, of (a)(x) Consolidated Total Indebtedness minus (y) Liquidity as of the last day of the most recently ended Test Period to (b) Consolidated EBITDA for the Test Period then most recently ended, in each case of the Borrower and its Restricted Subsidiaries on a consolidated basis.

"Total Revolving Credit Exposure" means, at any time, the sum of (a) the outstanding principal amount of the Revolving Loans and Swingline Loans at such time and (b) the total LC Exposure at such time.

"Transactions" means the execution, delivery and performance by the Loan Parties of this Agreement and the other Loan Documents, the borrowing of Loans and other credit extensions, the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted Term SOFR Rate, the Adjusted EURIBO Rate, the ~~CDOR~~**Adjusted Term CORRA** Rate, the Adjusted Daily Simple RFR, the Alternate Base Rate, the Canadian Prime Rate or the Central Bank Rate.

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York or any other state the laws of which are required to be applied in connection with the issue of perfection of security interests.

"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Unadjusted Benchmark Replacement" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"Unfunded Commitment" means, with respect to each Revolving Lender, the Revolving Commitment of such Lender less its Revolving Credit Exposure.

"United States" or "U.S." mean the United States of America.

"Unliquidated Obligations" means, at any time, any Secured Obligations (or portion thereof) that are contingent in nature or unliquidated at such time, including any Secured Obligation that is: (i) an obligation to reimburse a bank for drawings not yet made under a letter of credit issued by it; (ii) any other obligation (including any guarantee) that is contingent in nature at such time; or (iii) an obligation to provide collateral to secure any of the foregoing types of obligations.

"Unrestricted Subsidiary" means any (a) subsidiary of the Borrower that is listed on Schedule 5.11 hereto or designated by the Borrower as an Unrestricted Subsidiary after the Effective Date pursuant to Section 5.11 and (b) any subsidiary of any Person described in clause (a) above.

"U.S. Government Securities Business Day" means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"U.S. Person" means a "United States person" within the meaning of Section 7701(a)(30) of the Code.

"U.S. Special Resolution Regime" has the meaning assigned to it in Section 9.19.

"U.S. Tax Compliance Certificate" has the meaning assigned to such term in Section 2.17(f)(ii)(B)(3).

"Wholly-Owned Restricted Subsidiary" means any Restricted Subsidiary one hundred percent (100%) of the outstanding Equity Interests of which (other than (x) directors' qualifying shares and (y) shares of capital stock of Foreign Subsidiaries issued to foreign nationals as required by applicable law) is at the time owned by the Borrower or by one or more wholly owned Subsidiaries of the Borrower.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"Write-Down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a "Revolving Loan") or by Type (e.g., a "Term Benchmark Loan" or an "RFR Loan") or by Class and Type (e.g., a "Term Benchmark Revolving Loan" or an "RFR Revolving Loan"). Borrowings also may be classified and referred to by Class (e.g., a "Revolving Borrowing") or by Type (e.g., a "Term Benchmark Borrowing" or an "RFR Borrowing") or by Class and Type (e.g., a "Term Benchmark Revolving Borrowing" or an "RFR Revolving Borrowing").

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". The word "law" shall be construed as referring to all statutes, rules, regulations, codes and other laws (including official rulings and interpretations thereunder having the force of law or with which affected Persons customarily comply), and all judgments, orders and decrees, of all Governmental Authorities. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein), (b) any definition of or reference to any law, statute, rule or regulation shall, unless otherwise specified, be construed as referring thereto as from time to time amended, supplemented or otherwise modified (including by succession of comparable successor laws), (c) any reference herein to any Person shall be construed to include such Person's successors and assigns (subject to any restrictions on assignment set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all functions thereof, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (f) 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.

SECTION 1.04. Accounting Terms; GAAP; Pro Forma Calculations. (a) Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to (i) any election under Financial Accounting Standards Board Accounting Standards Codification 825 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrower or any Subsidiary at "fair value", as defined therein and (ii) any treatment of Indebtedness under Accounting Standards Codification 470-20 or 2015-03 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof. Notwithstanding anything to the contrary contained in this Section 1.04(a) or in the definition of "Capital Lease Obligations," any change in accounting for leases pursuant to GAAP resulting from the adoption of Financial Accounting Standards Board Accounting Standards Update No. 2016-02, Leases (Topic 842), to the extent such adoption would require treating any lease (or similar arrangement conveying the right to use) as a capital lease where such lease (or similar arrangement) would not have been required to be so treated under GAAP as in effect on December 31, 2015, such lease shall not be considered a capital lease, and all calculations and deliverables under this Agreement or any other Loan Document shall be made or delivered, as applicable, in accordance therewith.

(b) All pro forma computations required to be made hereunder giving effect to any acquisition or disposition, or issuance, incurrence or assumption of Indebtedness, or other transaction shall in each case be calculated giving pro forma effect thereto (and, in the case of any pro forma computation made hereunder to determine whether such acquisition or disposition, or issuance, incurrence or assumption of Indebtedness, or other transaction is permitted to be consummated hereunder, to any other such transaction consummated since the first day of the period covered by any component of such pro forma computation and on or prior to the date of such computation) as if such transaction had occurred on the first day of the applicable Test Period, and, to the extent applicable, to the historical earnings and cash flows associated with the assets acquired or disposed of (but without giving effect to any synergies or cost savings) and any related incurrence or reduction of Indebtedness, all in accordance with Article 11 of Regulation S-X under the Securities Act and (ii) in the case of any acquisition (including pursuant to a merger or consolidation), may reflect pro forma adjustments for cost synergies and/or cost savings (net of continuing associated expenses, and without duplication of any amounts that are otherwise included or added back in computing Consolidated EBITDA in accordance with the definition of such term) that the Borrower reasonably determines are probable based upon specifically identified actions to be taken within twelve months of the date of consummation of such acquisition, provided that (A) the Borrower shall have delivered to the Administrative Agent a certificate of a Financial Officer of the Borrower, certifying the specific actions to be taken, the cost savings to be achieved from each such action, that such cost savings have been determined to be probable and the amount, if any, of any continuing associated expenses in connection therewith), together with reasonably detailed evidence in support thereof, (B) the aggregate amount of adjustments in respect of cost synergies for any period being tested shall not exceed 5% of Consolidated EBITDA for such period (calculated prior to giving effect to any adjustments in respect of cost synergies) and (C) if any cost synergies and/or projected cost savings, as applicable, included in any pro forma calculations shall at any time cease to be determined by such Financial Officer to be probable, or shall not have been realized within 365 days of the consummation of such acquisition, then on and after such time pro forma calculations required to be made hereunder shall not reflect such cost synergies and/or projected cost savings, as applicable. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Swap Agreement applicable to such Indebtedness).

SECTION 1.05. Interest Rates; Benchmark Notification. The interest rate on a Loan denominated in Dollars or a Foreign Currency may be derived from an interest rate benchmark that may be discontinued or is, or may in the future become, the subject of regulatory reform. Upon the occurrence of a Benchmark Transition Event **or a Term CORRA Reelection Event**, Section 2.14(b) provides a mechanism for determining an alternative rate of interest. The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission, performance or any other matter related to any interest rate used in this Agreement, or with respect to any alternative or successor rate thereto, or replacement rate thereof, including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the existing interest rate being replaced or have the same volume or liquidity as did any existing interest rate prior to its discontinuance or unavailability. The Administrative Agent and its affiliates and/or other related entities may engage in transactions that affect the calculation of any interest rate used in this Agreement or any alternative, successor or alternative rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any interest rate used in this Agreement, any component thereof, or rates referenced in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

SECTION 1.06. Status of Obligations. In the event that the Borrower or any other Loan Party shall at any time issue or have outstanding any Subordinated Indebtedness, the Borrower shall take or cause such other Loan Party to take all such actions as shall be necessary to cause the Secured Obligations to constitute senior indebtedness (however denominated) in respect of such Subordinated Indebtedness and to enable the Administrative Agent and the Lenders to have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness. Without limiting the foregoing, the Secured Obligations are hereby designated as "senior indebtedness" and as "designated senior indebtedness" and words of similar import under and in respect of any indenture or other agreement or instrument under which such Subordinated Indebtedness is outstanding and are further given all such other designations as shall be required under the terms of any such Subordinated Indebtedness in order that the Lenders may have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness.

SECTION 1.07. 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 Amount of the stated amount of such Letter of Credit available to be drawn at such time; provided that, with respect to any Letter of Credit that, by its terms or the terms of any Letter of Credit Agreement related thereto, provides for one or more automatic increases in the available amount thereof, the amount of such Letter of Credit shall be deemed to be the Dollar Amount of the maximum amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum amount is available to be drawn at such time.

SECTION 1.08. Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized and acquired on the first date of its existence by the holders of its Equity Interests at such time.

SECTION 1.09. Exchange Rates; Currency Equivalents

(a) The Administrative Agent or the Issuing Bank, as applicable, shall determine the Dollar Amount of Term Benchmark Borrowings, RFR Borrowings or Letters of Credit denominated in Foreign Currencies. Such Dollar Amount shall become effective as of such Computation Date and shall be the Dollar Amount of such amounts until the next Computation Date to occur. Except for purposes of financial statements delivered by the Borrower hereunder or calculating financial covenants hereunder or except as otherwise provided herein, the applicable amount of any Agreed Currency (other than Dollars) for purposes of the Loan Documents shall be such Dollar Amount as so determined by the Administrative Agent or the Issuing Bank, as applicable.

(b) Wherever in this Agreement in connection with a Borrowing, conversion, continuation or prepayment of a Term Benchmark Loan or an RFR 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 Borrowing, Loan or Letter of Credit is denominated in a Foreign Currency, such amount shall be the Dollar Amount of such amount (rounded to the nearest unit of such Foreign Currency, with 0.5 of a unit being rounded upward), as determined by the Administrative Agent or the Issuing Bank, as the case may be.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, (a) each Revolving Lender (severally and not jointly) agrees to make Revolving Loans to the Borrower in Agreed Currencies from time to time during the Availability Period in an aggregate principal amount that will not result (after giving effect to any application of proceeds of such Borrowing to any Swingline Loans outstanding pursuant to Section 2.10(a)) in, subject to Sections 2.04 and 2.11(b), (i) the Dollar Amount of such Lender's Revolving Credit Exposure exceeding such Lender's Revolving Commitment or (ii) the Dollar Amount of the Total Revolving Credit Exposure exceeding the aggregate Revolving Commitments and (b) each Term Lender with a Term Loan Commitment (severally and not jointly) agrees to make a Term Loan to the Borrower in Dollars on the Effective Date, in an amount equal to such Lender's Term Loan Commitment by making immediately available funds available to the Administrative Agent's designated account, not later than the time specified by the Administrative Agent. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans. Amounts repaid or prepaid in respect of Term Loans may not be reborrowed.

SECTION 2.02. Loans and Borrowings. (a) Each Loan (other than a Swingline Loan) shall be made as part of a Borrowing consisting of Loans of the same Class and Type made by the applicable Lenders ratably in accordance with their respective Commitments of the applicable Class. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required. Any Swingline Loan shall be made in accordance with the procedures set forth in Section 2.05. The Term Loans shall amortize as set forth in Section 2.10.

(b) Subject to Section 2.14, each Revolving Borrowing and Term Loan Borrowing shall be comprised (i) in the case of Borrowings in Dollars, entirely of ABR Loans or Term Benchmark Loans and (ii) in the case of Borrowings in any other Agreed Currency, entirely of Term Benchmark Loans or RFR Loans, as applicable, in each case of the same Agreed Currency, as the Borrower may request in accordance herewith; provided that each ABR Loan shall only be made in Dollars. Each Swingline Loan shall be an ABR Loan. Each Lender at its option may make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan (and in the case of an Affiliate, the provisions of Sections 2.14, 2.15, 2.16 and 2.17 shall apply to such Affiliate to the same extent as to such Lender); provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Term Benchmark Revolving Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of the Dollar Amount of $250,000 and not less than the Dollar Amount of $1,000,000. At the time that each ABR Revolving Borrowing or RFR Revolving Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of the Dollar Amount of $500,000 and not less than the Dollar Amount of $1,000,000; provided that an ABR Revolving Borrowing may be in an aggregate amount that is equal to the entire unused balance of the aggregate Revolving Commitments or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e). Each Swingline Loan shall be in an amount that is an integral multiple of $100,000 and not less than $500,000. Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of fourteen (14) Term Benchmark Borrowings or RFR Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Requests for Borrowings. To request a Borrowing, the Borrower shall notify the Administrative Agent of such request (a) by irrevocable written notice (via a written Borrowing Request signed by a Responsible Officer of the Borrower) (i) in the case of a Term Benchmark Borrowing denominated in Dollars, not later than 11:00 a.m., New York City time, three (3) Business Days before the date of the proposed Borrowing, (ii) in the case of a Term Benchmark Borrowing denominated in euro or Canadian Dollars, not later than 11:00 a.m., New York City time, three (3) Business Days before the date of the proposed Borrowing, (iii) in the case of an RFR Borrowing denominated in Pounds Sterling, not later than 11:00 a.m., New York City time, five (5) RFR Business Days before the date of the proposed Borrowing and (iv) in the case of an RFR Borrowing denominated in Swiss Francs, not later than 11:00 a.m., New York City time, five (5) RFR Business Days before the date of the proposed Borrowing or (b) by irrevocable written notice (via a written Borrowing Request signed by a Responsible Officer of the Borrower) in the case of an ABR Borrowing, not later than 11:00 a.m., New York City time, on the date of the proposed Borrowing. Each such Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the Agreed Currency and the aggregate principal amount of the requested Borrowing;

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) whether such Borrowing is to be an ABR Borrowing, a Term Benchmark Borrowing or an RFR Borrowing and whether such Borrowing is a Revolving Borrowing or a Term Loan Borrowing;

(iv) in the case of a Term Benchmark Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term “Interest Period”; and

(v) the location and number of the Borrower’s account to which funds are to be disbursed, which shall comply with the requirements of Section 2.07.

If no election as to the currency of a Borrowing is specified, then the requested Borrowing shall be made in Dollars. If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing made in Dollars. If no Interest Period is specified with respect to any requested Term Benchmark Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month’s duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender’s Loan to be made as part of the requested Borrowing.

Notwithstanding the foregoing, in no event shall the Borrower be permitted to request pursuant to this Section 2.03 a CBR Loan or, prior to a Benchmark Transition Event and Benchmark Replacement Date with respect to (x) the Term SOFR Rate, an RFR Loan bearing interest based on Daily Simple SOFR or (y) Term CORRA, an RFR Loan bearing interest based on Daily Simple CORRA (it being understood and agreed that a Central Bank Rate, the Canadian Prime Rate, Daily Simple SOFR and Daily Simple CORRA shall only apply to the extent provided in Sections 2.08(e) (solely with respect to the Central Bank Rate and the Canadian Prime Rate), 2.14(a) and 2.14(f), as applicable).

SECTION 2.04. Determination of Dollar Amounts. The Administrative Agent will determine the Dollar Amount of:

(a) any Loan denominated in a Foreign Currency, on each of the following: (i) the date of the Borrowing of such Loan and (ii)(A) with respect to any Term Benchmark Loan, each date of a conversion or continuation of such Loan pursuant to the terms of this Agreement and (B) with respect to any RFR Loan, each date that is on the numerically corresponding day in each calendar month that is one month after the Borrowing of such Loan (or, if there is no such numerically corresponding day in such month, then the last day of such month),

(b) any Letter of Credit denominated in a Foreign Currency, on each of the following: (i) the date on which such Letter of Credit is issued, (ii) the first Business Day of each calendar month and (iii) the date of any amendment of such Letter of Credit that has the effect of increasing the face amount thereof, and

(c) any Credit Event, on any additional date as the Administrative Agent may determine at any time when an Event of Default exists.

Each day upon or as of which the Administrative Agent determines Dollar Amounts as described in the preceding clauses (a), (b) and (c) is herein described as a "Computation Date" with respect to each Credit Event for which a Dollar Amount is determined on or as of such day.

SECTION 2.05. Swingline Loans. (a) Subject to the terms and conditions set forth herein, the Swingline Lender may agree, but shall have no obligation, to make Swingline Loans in Dollars to the Borrower from time to time during the Availability Period, in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of outstanding Swingline Loans exceeding the Swingline Sublimit, (ii) the Swingline Lender's Revolving Credit Exposure exceeding its Revolving Commitment or (iii) the Dollar Amount of the Total Revolving Credit Exposure exceeding the aggregate Revolving Commitments; provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Swingline Loans.

(b) To request a Swingline Loan, the Borrower shall notify the Administrative Agent of such request by irrevocable written notice (via a written Borrowing Request in a form approved by the Administrative Agent and signed by a Responsible Officer of the Borrower), not later than 2:00 p.m., New York City time, on the day of a proposed Swingline Loan. Each such notice shall be in a form approved by the Administrative Agent, shall be irrevocable and shall specify the requested date (which shall be a Business Day) and amount of the requested Swingline Loan. The Administrative Agent will promptly advise the Swingline Lender of any such notice received from the Borrower. The Swingline Lender shall make each Swingline Loan available to the Borrower by means of a credit to an account of the Borrower with the Administrative Agent designated for such purpose (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e), by remittance to the Issuing Bank) by 3:00 p.m., New York City time, on the requested date of such Swingline Loan.

(c) The Swingline Lender may by written notice given to the Administrative Agent require the Revolving Lenders to acquire participations in all or a portion of the Swingline Loans outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which Revolving Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Revolving Lender, specifying in such notice such Lender's Applicable Percentage of such Swingline Loan or Loans. Each Revolving Lender hereby absolutely and unconditionally agrees, promptly upon receipt of such notice from the Administrative Agent (and in any event, if such notice is received by 12:00 noon, New York City time, on a Business Day, no later than 5:00 p.m., New York City time, on such Business Day and if received after 12:00 noon, New York City time, on a Business Day, no later than 10:00 a.m., New York City time, on the immediately succeeding Business Day), to pay to the Administrative Agent, for the account of the Swingline Lender, such Lender's Applicable Percentage of such Swingline Loan or Loans. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Revolving Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Revolving Lenders. The Administrative Agent shall notify the Borrower of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from the Borrower (or other party on behalf of the Borrower) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Revolving Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interests may appear; provided that any such payment so remitted shall be repaid to the Swingline Lender or to the Administrative Agent, as applicable, if and to the extent such payment is required to be refunded to the Borrower for any reason. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve the Borrower of any default in the payment thereof.

(d) The Swingline Lender may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Swingline Lender and the successor Swingline Lender. The Administrative Agent shall notify the Revolving Lenders of any such replacement of the Swingline Lender. At the time any such replacement shall become effective, the Borrower shall pay all unpaid interest accrued for the account of the replaced Swingline Lender pursuant to Section 2.13(a). From and after the effective date of any such replacement, (i) the successor Swingline Lender shall have all the rights and obligations of the replaced Swingline Lender under this Agreement with respect to Swingline Loans made thereafter and (ii) references herein to the term "Swingline Lender" shall be deemed to refer to such successor or to any previous Swingline Lender, or to such successor and all previous Swingline Lenders, as the context shall require. After the replacement of a Swingline Lender hereunder, the replaced Swingline Lender shall remain a party hereto and shall continue to have all the rights and obligations of a Swingline Lender under this Agreement with respect to Swingline Loans made by it prior to its replacement, but shall not be required to make additional Swingline Loans.

(e) Subject to the appointment and acceptance of a successor Swingline Lender, the Swingline Lender may resign as a Swingline Lender at any time upon thirty (30) days' prior written notice to the Administrative Agent, the Borrower and the Revolving Lenders, in which case, such Swingline Lender shall be replaced in accordance with Section 2.05(d) above.

SECTION 2.06. Letters of Credit. (a) General. Subject to the terms and conditions set forth herein, the Borrower may request the Issuing Bank to issue Letters of Credit denominated in Agreed Currencies as the applicant thereof for the support of its or its Subsidiaries' obligations, in a form reasonably acceptable to the Administrative Agent and the Issuing Bank, at any time and from time to time during the Availability Period.

(b) Notice of Issuance, Amendment, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the Issuing Bank) to the Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment or extension, but in any event no less than three (3) Business Days) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended or extended, and specifying the date of issuance, amendment or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the Agreed Currency applicable thereto, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend or extend such Letter of Credit. In addition, as a condition to any such Letter of Credit issuance, the Borrower shall have entered into a continuing agreement (or other letter of credit agreement) for the issuance of letters of credit and/or shall submit a letter of credit application, in each case, as required by the Issuing Bank and using the Issuing Bank's standard form (each, a "Letter of Credit Agreement"). In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any Letter of Credit Agreement, the terms and conditions of this Agreement shall control. A Letter of Credit shall be issued, amended or extended only if (and upon issuance, amendment or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment or extension subject to Sections 2.04 and 2.11(b), (i) the Dollar Amount of the LC Exposure shall not exceed $25,000,000, (ii) the Dollar Amount of the Total Revolving Credit Exposure shall not exceed the aggregate Revolving Commitments, (iii) the Dollar Amount of each Lender's Revolving Credit Exposure shall not exceed such Lender's Revolving Commitment and (iv) the Dollar Amount of the aggregate face amount of all Letters of Credit issued and then outstanding by any Issuing Bank shall not exceed such Issuing Bank's Applicable LC Sublimit.

The Issuing Bank shall not be under any obligation to issue any Letter of Credit if:

(i) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Issuing Bank from issuing such Letter of Credit, or any law applicable to the Issuing Bank shall prohibit, or require that the Issuing Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Bank is not otherwise compensated hereunder) not in effect on the Effective Date, or shall impose upon the Issuing Bank any unreimbursed loss, cost or expense that was not applicable on the Effective Date and that the Issuing Bank in good faith deems material to it; or

(ii) the issuance of such Letter of Credit would violate one or more policies of the Issuing Bank applicable to letters of credit generally.

(c) Expiration Date. Each Letter of Credit shall expire (or be subject to termination by notice from the Issuing Bank to the beneficiary thereof) at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any extension of the expiration date thereof, one year after such extension) and (ii) the date that is five (5) Business Days prior to the Maturity Date; provided that any Letter of Credit with a one-year tenor may contain customary automatic extension provisions agreed upon by the Borrower and the Issuing Bank that provide for the extension thereof for additional one-year periods (which shall in no event extend beyond the date referenced in clause (ii) above), subject to a right on the part of the Issuing Bank to prevent any such extension from occurring by giving notice to the beneficiary in advance of any such extension.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the Issuing Bank or the Revolving Lenders, the Issuing Bank hereby grants to each Revolving Lender, and each Revolving Lender hereby acquires from the Issuing Bank, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Bank, such Lender's Applicable Percentage of each LC Disbursement made by the Issuing Bank and not reimbursed by the Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Borrower for any reason, including after the Maturity Date. Each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments.

(e) Reimbursement. If the Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent an amount in the currency of such LC Disbursement equal to such LC Disbursement not later than 12:00 noon, Local Time, on the date that such LC Disbursement is made, if the Borrower shall have received notice of such LC Disbursement prior to 10:00 a.m., Local Time, on such date, or, if such notice has not been received by the Borrower prior to such time on such date, then not later than 12:00 noon, Local Time, on the Business Day immediately following the day that the Borrower receives such notice, if such notice is not received prior to such time on the day of receipt; provided that, if such LC Disbursement is not less than the Dollar Amount of $1,000,000, the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 or 2.05 that such payment be financed with (i) to the extent such LC Disbursement was made in Dollars, an ABR Revolving Borrowing, a Term Benchmark Revolving Borrowing or a Swingline Loan in Dollars in an amount equal to such LC Disbursement or (ii) to the extent that such LC Disbursement was made in a Foreign Currency, a Term Benchmark Revolving Borrowing or an RFR Revolving Borrowing in such Foreign Currency in an amount equal to such LC Disbursement and, in each case, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Borrowing, Term Benchmark Revolving Borrowing, RFR Revolving Borrowing or Swingline Loan, as applicable. If the Borrower fails to make such payment when due, the Administrative Agent shall notify each Revolving Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof and such Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Revolving Lender shall pay to the Administrative Agent its Applicable Percentage of the payment then due from the Borrower, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Revolving Lenders), and the Administrative Agent shall promptly pay to the Issuing Bank the amounts so received by it from the Revolving Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the Issuing Bank or, to the extent that Revolving Lenders have made payments pursuant to this paragraph to reimburse the Issuing Bank, then to such Lenders and the Issuing Bank as their interests may appear. Any payment made by a Revolving Lender pursuant to this paragraph to reimburse the Issuing Bank for any LC Disbursement (other than the funding of Revolving Loans or a Swingline Loan as contemplated above) shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(f) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit, any Letter of Credit Agreement or this Agreement, or any term or provision therein or herein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) any payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder, or (v) any adverse change in the relevant exchange rates or in the availability of the relevant Foreign Currency to the Borrower or any Subsidiary or in the relevant currency markets generally. Neither the Administrative Agent, the Revolving Lenders nor the Issuing Bank, nor any of their respective Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms, any error in translation or any consequence arising from causes beyond the control of the Issuing Bank; provided that the foregoing shall not be construed to excuse the Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by the Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. The Issuing Bank shall, within the time allowed by applicable law or the specific terms of the Letter of Credit following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Bank shall promptly after such examination notify the Administrative Agent and the Borrower by telephone (confirmed by telecopy or electronic mail) of such demand for payment and whether the Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse the Issuing Bank and the Revolving Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If the Issuing Bank shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full in the applicable currency on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the reimbursement is due and payable, at the rate per annum then applicable to ABR Revolving Loans and such interest shall be due and payable on the date when such reimbursement is payable; provided that, if the Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.13(d) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the Issuing Bank, except that interest accrued on and after the date of payment by any Revolving Lender pursuant to paragraph (e) of this Section to reimburse the Issuing Bank for such LC Disbursement shall be for the account of such Lender to the extent of such payment.

(i) Replacement and Resignation of Issuing Bank. (A) The Issuing Bank may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Revolving Lenders of any such replacement of the Issuing Bank. At the time any such replacement shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.12(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of the Issuing Bank under this Agreement with respect to Letters of Credit to be issued by it thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit then outstanding and issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit or extend or otherwise amend any existing Letter of Credit.

(B) Subject to the appointment and acceptance of a successor Issuing Bank, the Issuing Bank may resign as the Issuing Bank at any time upon thirty days' prior written notice to the Administrative Agent, the Borrower and the Revolving Lenders, in which case, the resigning Issuing Bank shall be replaced in accordance with Section 2.06(i)(A) above.

(j) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Revolving Lenders with LC Exposure representing greater than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in an account or accounts with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Revolving Lenders (the "LC Collateral Account"), an amount in cash equal to 103% of the LC Exposure in the applicable currencies as of such date plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in Section 7.01(h) or 7.01(i). The Borrower also shall deposit cash collateral pursuant to this paragraph as and to the extent required by Section 2.11(b). Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the Secured Obligations. In addition, and without limiting the foregoing or Section 2.06(c), if any LC Exposure remains outstanding after the expiration date specified in Section 2.06(c), the Borrower shall immediately deposit into the LC Collateral Account an amount in cash equal to 103% of such LC Exposure as of such date plus any accrued and unpaid interest thereon. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the Issuing Bank for LC Disbursements for which it has not been reimbursed, together with related fees, costs and customary processing charges, and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Revolving Lenders with LC Exposure representing greater than 50% of the total LC Exposure), be applied to satisfy other Secured Obligations. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within three (3) Business Days after all Events of Default have been cured or waived.

(k) Letters of Credit Issued for Account of Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder supports any obligations of, or is for the account of, a Subsidiary, or states that a Subsidiary is the "account party," "applicant," "customer," "instructing party," or the like of or for such Letter of Credit, and without derogating from any rights of the Issuing Bank (whether arising by contract, at law, in equity or otherwise) against such Subsidiary in respect of such Letter of Credit, the Borrower (i) shall reimburse, indemnify and compensate the Issuing Bank hereunder for such Letter of Credit (including to reimburse any and all drawings thereunder) as if such Letter of Credit had been issued solely for the account of the Borrower and (ii) irrevocably waives any and all defenses that might otherwise be available to it as a guarantor or surety of any or all of the obligations of such Subsidiary in respect of such Letter of Credit. The Borrower hereby acknowledges that the issuance of such Letters of Credit for its Subsidiaries inures to the benefit of the Borrower, and that the Borrower's business derives substantial benefits from the businesses of such Subsidiaries.

(l) Existing Letters of Credit. Each Existing Letter of Credit shall be deemed to be a Letter of Credit issued for the account of the Borrower on the Effective Date (whether or not the Borrower was the applicant with respect thereto or otherwise responsible for reimbursement obligations with respect thereto prior to the Effective Date) under this Agreement and all the provisions of this Agreement shall apply to such Existing Letter of Credit as being a Letter of Credit issued hereunder by the applicable Issuing Bank, without need for further any action by the Borrower or any other Person.

SECTION 2.07. Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof solely by wire transfer of immediately available funds (i) in the case of Loans denominated in Dollars, by 12:00 noon, New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders and (ii) in the case of each Loan denominated in a Foreign Currency, by 12:00 noon, Local Time, in the city of the Administrative Agent's Foreign Currency Payment Office for such currency and at such Foreign Currency Payment Office for such currency; provided that (i) Term Loans shall be made as provided in Section 2.01(b) and (ii) Swingline Loans shall be made as provided in Section 2.05. Except in respect of the provisions of this Agreement covering the reimbursement of Letters of Credit, the Administrative Agent will make such Loans available to the Borrower by promptly crediting the funds so received in the aforesaid account of the Administrative Agent to (x) an account of the Borrower maintained with the Administrative Agent in New York City or Chicago and designated by the Borrower in the applicable Borrowing Request, in the case of Loans denominated in Dollars and (y) an account of the Borrower in the relevant jurisdiction and designated by the Borrower in the applicable Borrowing Request, in the case of Loans denominated in a Foreign Currency; provided that Revolving Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e) shall be remitted by the Administrative Agent to the Issuing Bank.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing (or in the case of an ABR Borrowing, prior to 12:00 noon, New York City time, 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 paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the applicable Overnight Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans, or in the case of Foreign Currencies, in accordance with such market practice, in each case, as applicable. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.08. Interest Elections. (a) Each Borrowing initially shall be of the Type and Agreed Currency specified in the applicable Borrowing Request and, in the case of a Term Benchmark Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Term Benchmark Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swingline Borrowings, which may not be converted or continued.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election (by irrevocable written notice via an Interest Election Request signed by a Responsible Officer of the Borrower) by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Notwithstanding any contrary provision herein, this Section shall not be construed to permit the Borrower to (i) change the currency of any Borrowing, (ii) elect an Interest Period for Term Benchmark Loans that does not comply with Section 2.02(d) or (iii) convert any Borrowing to a Borrowing of a Type not available under the Class of Commitments pursuant to which such Borrowing was made.

(c) Each Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Agreed Currency and principal amount of the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing (in the case of Borrowings denominated in Dollars), a Term Benchmark Borrowing or an RFR Borrowing; and

(iv) if the resulting Borrowing is a Term Benchmark Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which Interest Period shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Term Benchmark Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

Notwithstanding the foregoing, in no event shall the Borrower be permitted to request pursuant to this Section 2.08(c) a CBR Loan or, prior to a Benchmark Transition Event and Benchmark Replacement Date with respect to (x) the Term SOFR Rate, an RFR Loan bearing interest based on Daily Simple SOFR or (y) Term CORRA, an RFR Loan bearing interest based on Daily Simple CORRA (it being understood and agreed that a Central Bank Rate, the Canadian Prime Rate, Daily Simple SOFR and Daily Simple CORRA shall only apply to the extent provided in Sections 2.08(e) (solely with respect to the Central Bank Rate and the Canadian Prime Rate), 2.14(a) and 2.14(f), as applicable).

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Term Benchmark Borrowing denominated in Dollars prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be deemed to have an Interest Period that is one (1) month. If the Borrower fails to deliver a timely and complete Interest Election Request with respect to a Term Benchmark Borrowing denominated in a Foreign Currency prior to the end of the Interest Period therefor, then, unless such Term Benchmark Borrowing is repaid as provided herein, the Borrower shall be deemed to have selected that such Term Benchmark Borrowing shall automatically be continued as a Term Benchmark Borrowing in its original Agreed Currency with an Interest Period of one month at the end of such Interest Period. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (i) no outstanding Borrowing may be converted to or continued as a Term Benchmark Borrowing and (ii) unless repaid, (x) each Term Benchmark Borrowing and each RFR Borrowing, in each case denominated in Dollars shall be converted to an ABR Borrowing (in the case of a Term Benchmark Borrowing) at the end of the Interest Period applicable thereto or (in the case of an RFR Borrowing) on the next Interest Payment Date in respect thereof, (y) each Term Benchmark Borrowing denominated in Canadian Dollars shall be converted to a Loan that bears interest at the Canadian Prime Rate plus the Applicable Rate applicable to ABR Revolving Loans at the end of the Interest Period applicable thereto and (z) each Term Benchmark Borrowing and each RFR Borrowing, in each case denominated in a Foreign Currency other than Canadian Dollars shall bear interest at the Central Bank Rate for the applicable Agreed Currency plus the CBR Spread; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Agreed Currency cannot be determined, any outstanding affected Term Benchmark Loans or RFR Loans denominated in any Foreign Currency shall either be (A) converted to an ABR Borrowing denominated in Dollars (in an amount equal to the Dollar Amount of such Foreign Currency) at the end of the Interest Period, as applicable, therefor or (B) prepaid at the end of the applicable Interest Period, as applicable, in full; provided that if no election is made by the Borrower by the earlier of (x) the date that is three (3) Business Days after receipt by the Borrower of such notice and (y) the last day of the current Interest Period for the applicable Term Benchmark Loan, the Borrower shall be deemed to have elected clause (A) above.

SECTION 2.09. Termination and Reduction of Commitments. (a) Unless previously terminated, (i) the Term Loan Commitments shall terminate at 3:00 p.m. (New York City time) on the Effective Date and (ii) all other Commitments shall terminate on the Maturity Date.

(b) The Borrower may at any time terminate, or from time to time reduce, the Revolving Commitments; provided that (i) each reduction of the Revolving Commitments shall be in an amount that is an integral multiple of $5,000,000 and not less than $10,000,000 and (ii) the Borrower shall not terminate or reduce the Revolving Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.11, (A) the Dollar Amount of any Lender's Revolving Credit Exposure would exceed its Revolving Commitment or (B) the Dollar Amount of the Total Revolving Credit Exposure would exceed the aggregate Revolving Commitments.

(c) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three (3) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or other transactions specified therein, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

SECTION 2.10. Repayment and Amortization of Loans; Evidence of Debt. (a) The Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Revolving Lender the then unpaid principal amount of each Revolving Loan on the Maturity Date in the currency of such Loan and (ii) to the Administrative Agent for the account of the Swingline Lender the then unpaid principal amount of each Swingline Loan on the earlier of the Maturity Date and the fifth (5th) Business Day after such Swingline Loan is made; provided that on each date that a Revolving Borrowing is made, the Borrower shall repay all Swingline Loans then outstanding and the proceeds of any such Borrowing shall be applied by the Administrative Agent to repay any Swingline Loans outstanding. The Borrower shall repay Term Loans on each date set forth below in the aggregate principal amount set forth opposite such date (as adjusted from time to time pursuant to Section 2.11(a) and Section 2.11(d)):

Date	Amount
September 30, 2022	$1,250,000
December 31, 2022	$1,250,000
March 31, 2023	$1,250,000
June 30, 2023	$1,250,000
September 30, 2023	$1,250,000
December 31, 2023	$1,250,000
March 31, 2024	$1,250,000
June 30, 2024	$1,250,000
September 30, 2024	$1,250,000
December 31, 2024	$1,250,000
March 31, 2025	$1,250,000
June 30, 2025	$1,250,000
September 30, 2025	$1,250,000
December 31, 2025	$1,250,000
March 31, 2026	$1,250,000
June 30, 2026	$1,250,000
September 30, 2026	$2,500,000
December 31, 2026	$2,500,000
March 31, 2027	$2,500,000

To the extent not previously repaid, all unpaid Term Loans shall be paid in full in Dollars by the Borrower on the Maturity Date.

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

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Class, Agreed Currency and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the Obligations (including, without limitation, the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement).

(e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form.

SECTION 2.11. Prepayment of Loans.

(a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with the provisions of this Section 2.11(a). The Borrower shall notify the Administrative Agent (and, in the case of prepayment of a Swingline Loan, the Swingline Lender) by written notice of any prepayment hereunder (i) (x) in the case of prepayment of a Term Benchmark Revolving Borrowing denominated in Dollars, not later than 11:00 a.m., New York City time, three (3) Business Days before the date of prepayment, (y) in the case of prepayment of a Term Benchmark Revolving Borrowing denominated in euro, Japanese Yen or Canadian Dollars, not later than 12:00 p.m., New York City time, three (3) Business Days before the date of prepayment and (z) in the case of prepayment of an RFR Borrowing, not later than 11:00 a.m., New York City time, five (5) RFR Business Days before the date of prepayment, (ii) in the case of prepayment of an ABR Revolving Borrowing, not later than 11:00 a.m., New York City time, on the date of prepayment or (iii) in the case of prepayment of a Swingline Loan, not later than 2:00 p.m., New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.09, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.09. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Revolving Borrowing shall be applied ratably to the Revolving Loans included in the prepaid Revolving Borrowing, each voluntary prepayment of a Term Loan Borrowing shall be applied ratably to the Term Loans included in the prepaid Term Loan Borrowing in such order of application as directed by the Borrower, and each mandatory prepayment of a Term Loan Borrowing shall be applied in accordance with Section 2.11(d). Prepayments shall be accompanied by (i) accrued interest to the extent required by Section 2.13 and (ii) any break funding payments required by Section 2.16.

(b) If at any time, (i) other than as a result of fluctuations in currency exchange rates, the aggregate principal Dollar Amount of the Total Revolving Credit Exposure (calculated, with respect to those Credit Events denominated in Foreign Currencies, as of the most recent Computation Date with respect to each such Credit Event) exceeds the aggregate Revolving Commitments or (ii) solely as a result of fluctuations in currency exchange rates, the aggregate principal Dollar Amount of the Total Revolving Credit Exposure (so calculated) exceeds 105% of the aggregate Revolving Commitments, the Borrower shall in each case immediately repay Revolving Borrowings or cash collateralize LC Exposure in an account with the Administrative Agent pursuant to Section 2.06(j), as applicable, in an aggregate principal amount sufficient to cause the aggregate Dollar Amount of the Total Revolving Credit Exposure (so calculated) to be less than or equal to the aggregate Revolving Commitments.

(c) In the event and on each occasion that any Net Proceeds are received by or on behalf of the Borrower or any of its Restricted Subsidiaries in respect of any Prepayment Event, the Borrower shall, within five Business Days (in the case of any event described in clause (a) or clause (b) of the definition of the term "Prepayment Event") or one Business Day (in the case of any event described in clause (c) of the definition of the term "Prepayment Event") after such Net Proceeds are received, prepay the Term Loans as set forth in Section 2.11(d) below in an aggregate amount equal to 100% of such Net Proceeds; provided that, in the case of any event described in clause (a) or (b) of the definition of the term "Prepayment Event", if the Borrower shall deliver to the Administrative Agent a certificate of a Financial Officer to the effect that the Borrower or its relevant Restricted Subsidiaries intend to apply the Net Proceeds from such event (or a portion thereof specified in such certificate), within 365 days after receipt of such Net Proceeds, to acquire (or replace, lease, improve or rebuild) real property, equipment or other tangible assets (excluding inventory) to be used in the business of the Borrower and/or its Restricted Subsidiaries, and certifying that no Default has occurred and is continuing, then no prepayment shall be required pursuant to this Section 2.11(c) in respect of the Net Proceeds specified in such certificate; provided further that to the extent of any such Net Proceeds therefrom that have not been so applied by the end of such 365-day period (or within a period of 180 days thereafter if by the end of such initial 365-day period the Borrower or one or more Restricted Subsidiaries shall have entered into an agreement with an unaffiliated third party to acquire (or replace, lease, improve or rebuild) such assets with such Net Proceeds), at which time a prepayment shall be required in an amount equal to such Net Proceeds that have not been so applied; provided, further, that the Borrower shall not be required to make a prepayment pursuant to this Section 2.11(c) in respect of any event described in clause (a) or (b) of the definition of the term "Prepayment Event" during any fiscal year unless and until the aggregate amount of Net Proceeds received as a result of such events during such fiscal year exceeds $10,000,000.

(d) All such amounts pursuant to Section 2.11(c) shall be applied to prepay the Term Loans in the inverse order of maturity.

SECTION 2.12. Fees. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender a commitment fee, which shall accrue at the Applicable Rate on the average daily amount of the Available Revolving Commitment of any Lender that is not a Defaulting Lender during the period from and including the Effective Date to but excluding the date on which such Revolving Commitment terminates. Accrued commitment fees accrued through and including the last day of March, June, September and December of each year shall be payable in arrears on the fifteenth (15th) day following such last day and on the date on which the Revolving Commitments terminate, commencing on the first such date to occur after the date hereof; provided that any commitment fees accruing after the date on which the Revolving Commitments terminate shall be payable on demand. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day and the last day of each period but excluding the date on which the Revolving Commitments terminate).

(b) The Borrower agrees to pay (i) to the Administrative Agent for the account of each Revolving Lender a participation fee with respect to its participations in each outstanding Letter of Credit, which shall accrue on the Dollar Amount of the daily maximum stated amount then available to be drawn under such Letter of Credit at the same Applicable Rate used to determine the interest rate applicable to Term Benchmark Revolving Loans, during the period from and including the Effective Date to but excluding the later of the date on which such Revolving Lender's Revolving Commitment terminates and the date on which such Revolving Lender ceases to have any LC Exposure and (ii) to the Issuing Bank for its own account a fronting fee, which shall accrue at the rate of 0.125% per annum on the Dollar Amount of the daily maximum stated amount then available to be drawn under such Letter of Credit, during the period from and including the Effective Date to but excluding the later of the date of termination of the Revolving Commitments and the date on which there ceases to be any LC Exposure, as well as the Issuing Bank's standard fees with respect to the issuance, amendment or extension of any Letter of Credit and other processing fees, and other standard costs and charges, of the Issuing Bank relating the Letters of Credit as from time to time in effect. Participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the fifteenth (15th) day following such last day, commencing on the first such date to occur after the Effective Date; provided that all such fees shall be payable on the date on which the Revolving Commitments terminate and any such fees accruing after the date on which the Revolving Commitments terminate shall be payable on demand. Any other fees payable to the Issuing Bank pursuant to this paragraph shall be payable within ten (10) days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). Participation fees and fronting fees in respect of Letters of Credit denominated in Dollars shall be paid in Dollars, and participation fees and fronting fees in respect of Letters of Credit denominated in a Foreign Currency shall be paid in Dollars in the Dollar Amount thereof.

(c) The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(d) All fees payable hereunder shall be paid on the dates due, in Dollars (except as otherwise expressly provided in this Section 2.12) and immediately available funds, to the Administrative Agent (or to the Issuing Bank, in the case of fees payable to it) for distribution, in the case of commitment fees and participation fees, to the applicable Lenders. Fees paid shall not be refundable under any circumstances.

SECTION 2.13. Interest. (a) The Loans comprising each ABR Borrowing (including each Swingline Loan) shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Term Benchmark Borrowing shall bear interest at the Adjusted Term SOFR Rate, the Adjusted EURIBO Rate, or the ~~CDOR~~**Adjusted Term CORRA** Rate, as applicable, for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Each RFR Loan shall bear interest at a rate per annum equal to the applicable Adjusted Daily Simple RFR plus the Applicable Rate.

(d) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(e) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of Revolving Loans, upon termination of the Revolving Commitments; provided that (i) interest accrued pursuant to paragraph (d) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Term Benchmark Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(f) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Daily Simple RFR with respect to Pounds Sterling, ~~the CDOR Rate~~**Term CORRA, Daily Simple CORRA (if applicable)** or the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year). In each case interest shall be payable for the actual number of days elapsed (including the first day but excluding the last day). All interest hereunder on any Loan shall be computed on a daily basis based upon the outstanding principal amount of such Loan as of the applicable date of determination. The applicable Alternate Base Rate, Adjusted Term SOFR Rate, Term SOFR Rate, Adjusted EURIBO Rate, EURIBO Rate, ~~CDOR~~**Adjusted Term CORRA** Rate, **Term CORRA,** Adjusted Daily Simple RFR or Daily Simple RFR shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

(g) Interest in respect of Loans denominated in Dollars shall be paid in Dollars, and interest in respect of Loans denominated in a Foreign Currency shall be paid in such Foreign Currency.

SECTION 2.14. Alternate Rate of Interest.

(a) Subject to clauses (b), (c), (d), (e) and (f) of this Section 2.14, if:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, that adequate and reasonable means do not exist for ascertaining the Adjusted Term SOFR Rate, the Term SOFR Rate, the Adjusted EURIBO Rate, the EURIBO Rate, ~~or~~ the ~~CDOR~~**Adjusted Term CORRA** Rate **or Term CORRA** (including because the Relevant Screen Rate is not available or published on a current basis) for the applicable currency and such Interest Period or (B) at any time, that adequate and reasonable means do not exist for ascertaining the applicable Adjusted Daily Simple RFR, Daily Simple RFR or RFR for the applicable Agreed Currency; or

(ii) the Administrative Agent is advised by the Required Lenders that (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, the Adjusted Term SOFR Rate, the Adjusted EURIBO Rate, or the ~~CDOR~~**Adjusted Term CORRA** Rate for the applicable Agreed Currency and such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for the applicable Agreed Currency and such Interest Period or (B) at any time, the applicable Adjusted Daily Simple RFR for the applicable Agreed Currency will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for the applicable Agreed Currency;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone, telecopy or electronic mail as promptly as practicable thereafter and, until (x) the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the Borrower delivers a new Interest Election Request in accordance with the terms of Section 2.08 or a new Borrowing Request in accordance with the terms of Section 2.03, (A) for Loans denominated in Dollars, any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Term Benchmark Borrowing and any Borrowing Request that requests a Term Benchmark Borrowing shall instead be deemed to be an Interest Election Request or a Borrowing Request, as applicable, for (x) an RFR Borrowing denominated in Dollars so long as the Adjusted Daily Simple RFR for Dollar Borrowings is not also the subject of Section 2.14(a)(i) or (ii) above or (y) an ABR Borrowing if the Adjusted Daily Simple RFR for Dollar Borrowings also is the subject of Section 2.14(a)(i) or (ii) above, (B) for Loans denominated in Canadian Dollars, any Interest Election Request that requests the conversion of any Revolving Borrowing to, or continuation of any Revolving Borrowing as, a Term Benchmark Borrowing and any Borrowing Request that requests a Term Benchmark Revolving Borrowing shall instead be deemed to be an Interest Election Request or a Borrowing Request, as applicable, for a Loan that bears interest at the Canadian Prime Rate plus the Applicable Rate applicable to ABR Revolving Loans and (C) for Loans denominated in a Foreign Currency other than Canadian Dollars, any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Term Benchmark Borrowing and any Borrowing Request that requests a Term Benchmark Borrowing or an RFR Borrowing, in each case, for the relevant Benchmark, shall be ineffective; provided that if the circumstances giving rise to such notice affect only one Type of Borrowing, then all other Types of Borrowings shall be permitted. Furthermore, if any Term Benchmark Loan or RFR Loan in any Agreed Currency is outstanding on the date of the Borrower's receipt of the notice from the Administrative Agent referred to in this Section 2.14(a) with respect to a Relevant Rate applicable to such Term Benchmark Loan or RFR Loan, then until (x) the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the Borrower delivers a new Interest Election Request in accordance with the terms of Section 2.08 or a new Borrowing Request in accordance with the terms of Section 2.03, (A) for Loans denominated in Dollars, any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), be converted by the Administrative Agent to, and shall constitute, (x) an RFR Borrowing denominated in Dollars so long as the Adjusted Daily Simple RFR for Dollar Borrowings is not also the subject of Section 2.14(a)(i) or (ii) above or (y) an ABR Loan if the Adjusted Daily Simple RFR for Dollar Borrowings also is the subject of Section 2.14(a)(i) or (ii) above, on such day, (B) for Term Benchmark Loans denominated in Canadian Dollars, on the last day of the Interest Period applicable to such Term Benchmark Loan (or the next succeeding Business Day if such day is not a Business Day) such Term Benchmark Loan shall be converted by the Administrative Agent to, and shall constitute, a Loan that bears interest at the Canadian Prime Rate plus the Applicable Rate applicable to ABR Revolving Loans and (C) for Loans denominated in a Foreign Currency other than Canadian Dollars, (1) any Term Benchmark Loan shall, on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day) bear interest at the Central Bank Rate for the applicable Foreign Currency plus the CBR Spread; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Foreign Currency cannot be determined, any outstanding affected Term Benchmark Loans denominated in such Foreign Currency shall, at the Borrower's election prior to such day: (A) be prepaid by the Borrower on such day or (B) solely for the purpose of calculating the interest rate applicable to such Term Benchmark Loan, such Term Benchmark Loan denominated in such Foreign Currency shall be deemed to be a Term Benchmark Loan denominated in Dollars and shall accrue interest at the same interest rate applicable to Term Benchmark Loans denominated in Dollars at such time and (2) any RFR Loan shall bear interest at the Central Bank Rate for the applicable Foreign Currency plus the CBR Spread; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Foreign Currency cannot be determined, any outstanding affected RFR Loans denominated in any Foreign Currency, at the Borrower's election, shall either (A) be converted into ABR Loans denominated in Dollars (in an amount equal to the Dollar Amount of such Foreign Currency) immediately or (B) be prepaid in full immediately.

(b) Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) of the definition of "Benchmark Replacement" with respect to Dollars **and/or Canadian Dollars** for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark **(including any related adjustments)** for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (2) of the definition of "Benchmark Replacement" with respect to any Agreed Currency for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark **(including any related adjustments)** for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m., New York City time, on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

(c) **(i)** Notwithstanding anything to the contrary herein or in any other Loan Document, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document. **(ii) Notwithstanding anything to the contrary herein or in any other Loan Document and subject to the proviso below in this paragraph, with respect to a Loan denominated in Canadian Dollars, if a Term CORRA Reelection Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder or under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document; *provided* that, this clause (c)(ii) shall not be effective unless the Administrative Agent has delivered to the Lenders and the Borrower a Term CORRA Notice. For the avoidance of doubt, the Administrative Agent shall not be required to deliver a Term CORRA Notice after the occurrence of a Term CORRA Reelection Event and may do so in its sole discretion.**

(d) The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (e) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.14, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.14.

(e) Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Rate, the EURIBO Rate, or ~~the CDOR Rate~~**Term CORRA**) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(f) Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a Term Benchmark Borrowing or RFR Borrowing of, conversion to or continuation of Term Benchmark Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, either (x) the Borrower will be deemed to have converted any request for a Term Benchmark Borrowing denominated in Dollars into a request for a Borrowing of or conversion to (A) an RFR Borrowing denominated in Dollars so long as the Adjusted Daily Simple RFR for Dollar Borrowings is not the subject of a Benchmark Transition Event or (B) an ABR Borrowing if the Adjusted Daily Simple RFR for Dollar Borrowings is the subject of a Benchmark Transition Event or (y) any Term Benchmark Borrowing or RFR Borrowing denominated in a Foreign Currency shall be ineffective. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR. Furthermore, if any Term Benchmark Loan or RFR Loan in any Agreed Currency is outstanding on the date of the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to a Relevant Rate applicable to such Term Benchmark Loan or RFR Loan, then until such time as a Benchmark Replacement for such Agreed Currency is implemented pursuant to this Section 2.14, (A) for Loans denominated in Dollars any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), be converted by the Administrative Agent to, and shall constitute, (x) an RFR Borrowing denominated in Dollars so long as the Adjusted Daily Simple RFR for Dollar Borrowings is not the subject of a Benchmark Transition Event or (y) an ABR Loan if the Adjusted Daily Simple RFR for Dollar Borrowings is the subject of a Benchmark Transition Event, on such day, (B) for Loans denominated in Canadian Dollars, on the last day of the Interest Period applicable to such Term Benchmark Loan (or the next succeeding Business Day if such day is not a Business Day) such Term Benchmark Loan shall be converted by the Administrative Agent to, and shall constitute, a Loan that bears interest at the Canadian Prime Rate plus the Applicable Rate applicable to ABR Revolving Loans and (C) for Loans denominated in a Foreign Currency other than Canadian Dollars, (1) any Term Benchmark Loan shall, on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day) bear interest at the Central Bank Rate for the applicable Foreign Currency plus the CBR Spread; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Foreign Currency cannot be determined, any outstanding affected Term Benchmark Loans denominated in any Foreign Currency shall, at the Borrower's election prior to such day: (A) be prepaid by the Borrower on such day or (B) solely for the purpose of calculating the interest rate applicable to such Term Benchmark Loan, such Term Benchmark Loan denominated in any Foreign Currency shall be deemed to be a Term Benchmark Loan denominated in Dollars and shall accrue interest at the same interest rate applicable to Term Benchmark Loans denominated in Dollars at such time and (2) any RFR Loan shall bear interest at the Central Bank Rate for the applicable Foreign Currency plus the CBR Spread; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Foreign Currency cannot be determined, any outstanding affected RFR Loans denominated in any Foreign Currency, at the Borrower's election, shall either (A) be converted into ABR Loans denominated in Dollars (in an amount equal to the Dollar Amount of such Foreign Currency) immediately or (B) be prepaid in full immediately.

SECTION 2.15. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, liquidity or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted Term SOFR Rate, ~~or~~ the Adjusted EURIBO Rate **or the Adjusted Term CORRA Rate**, as applicable) or the Issuing Bank;

(ii) impose on any Lender or the Issuing Bank or the applicable offshore interbank market for the applicable Agreed Currency any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein; or

(iii) 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;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, continuing, converting or maintaining any Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender, the Issuing Bank or such other Recipient of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender, the Issuing Bank or such other Recipient hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender, the Issuing Bank or such other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, the Issuing Bank or such other Recipient, as the case may be, for such additional costs incurred or reduction suffered as reasonably determined by the Administrative Agent, such Lender or the Issuing Bank (which determination shall be made in good faith (and not on an arbitrary or capricious basis) and generally consistent with similarly situated customers of the Administrative Agent, such Lender or the Issuing Bank, as applicable, under agreements having provisions similar to this Section 2.15, after consideration of such factors as the Administrative Agent, such Lender or the Issuing Bank, as applicable, then reasonably determines to be relevant).

(b) If any Lender or the Issuing Bank determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or the Issuing Bank's capital or on the capital of such Lender's or the Issuing Bank's holding company, if any, as a consequence of this Agreement 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 Issuing Bank, to a level below that which such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Bank's policies and the policies of such Lender's or the Issuing Bank's holding company with respect to capital adequacy and liquidity), then from time to time the Borrower will pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company for any such reduction suffered as reasonably determined by the Administrative Agent, such Lender or the Issuing Bank (which determination shall be made in good faith (and not on an arbitrary or capricious basis) and generally consistent with similarly situated customers of the Administrative Agent, such Lender or the Issuing Bank, as applicable, under agreements having provisions similar to this Section 2.15, after consideration of such factors as the Administrative Agent, such Lender or the Issuing Bank, as applicable, then reasonably determines to be relevant).

(c) A certificate of a Lender or the Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or the Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section, and setting forth in reasonable detail the calculations used by such Lender to determine such amount or amounts, shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender or the Issuing Bank, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Failure or delay on the part of any Lender or the Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or the Issuing Bank's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or the Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender or the Issuing Bank, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.16. Break Funding Payments.

(a) With respect to Term Benchmark Loans, in the event of (i) the payment of any principal of any Term Benchmark Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or as a result of any prepayment pursuant to Section 2.11), (ii) the conversion of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto, (iii) the failure to borrow, convert, continue or prepay any Term Benchmark Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11(a) and is revoked in accordance therewith), (iv) the assignment of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.19 or 9.02(e) or (v) the failure by the Borrower to make any payment of any Loan or drawing under any Letter of Credit (or interest due thereof) denominated in a Foreign Currency on its scheduled due date or any payment thereof in a different currency, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event (other than loss of anticipated profits). A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(b) With respect to RFR Loans, in the event of (i) the payment of any principal of any RFR Loan other than on the Interest Payment Date applicable thereto (including as a result of an Event of Default or as a result of any prepayment pursuant to Section 2.11), (ii) the failure to borrow or prepay any RFR Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11(a) and is revoked in accordance therewith), (iii) the assignment of any RFR Loan other than on the Interest Payment Date applicable thereto as a result of a request by the Borrower pursuant to Section 2.19 or 9.02(e) or (iv) the failure by the Borrower to make any payment of any Loan or drawing under any Letter of Credit (or interest due thereof) denominated in a Foreign Currency on its scheduled due date or any payment thereof in a different currency, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event (other than loss of anticipated profits). A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

SECTION 2.17. Taxes. (a) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable 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 2.17) 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 Borrower. The Borrower 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, Other Taxes.

(c) Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.17, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Indemnification by the Loan Parties. The Loan Parties shall jointly and severally indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable out-of-pocket 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 Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (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), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to setoff and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Status of Lenders. (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower 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 Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower 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 2.17(f)(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:

(A) any Lender that is a U.S. Person shall deliver to the 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 the Borrower or the Administrative Agent), an executed copy 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 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 the 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, an executed copy of IRS Form W-8BEN or IRS Form W-8BEN-E, 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 or IRS Form W-8BEN-E, 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) in the case of a Foreign Lender claiming that its extension of credit will generate U.S. effectively connected income, an executed copy 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 E-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 the 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) an executed copy of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, an executed copy of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-2 or Exhibit E-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 E-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 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 the Borrower or the Administrative Agent), executed copies 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 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 Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.17 (including by the payment of additional amounts pursuant to this Section 2.17), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.17 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification 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 paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Survival. Each party's obligations under this Section 2.17 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(i) Defined Terms. For purposes of this Section 2.17, the term "Lender" includes the Issuing Bank and the term "applicable law" includes FATCA.

SECTION 2.18. Payments Generally; Allocations of Proceeds; Pro Rata Treatment; Sharing of Setoffs.

(a) The Borrower shall make each payment or prepayment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.15, 2.16 or 2.17, or otherwise) prior to (i) in the case of payments denominated in Dollars, 12:00 noon, New York City time and (ii) in the case of payments denominated in a Foreign Currency, 12:00 noon, at the Applicable Time, in the city of the Administrative Agent's Foreign Currency Payment Office for such currency, in each case on the date when due or the date fixed for any prepayment hereunder, in immediately available funds, without setoff, recoupment or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made (i) in the same currency in which the applicable Credit Event was made (or where such currency has been converted to euro, in euro) and (ii) to the Administrative Agent at its offices at 10 South Dearborn Street, Chicago, Illinois 60603 or, in the case of a Credit Event denominated in a Foreign Currency, the Administrative Agent's Foreign Currency Payment Office for such currency, except payments to be made directly to the Issuing Bank or the Swingline Lender as expressly provided herein and except that payments pursuant to Sections 2.15, 2.16, 2.17 and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments denominated in the same currency received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. Notwithstanding the foregoing provisions of this Section, if, after the making of any Credit Event in any Foreign Currency, currency control or exchange regulations are imposed in the country which issues such currency with the result that the type of currency in which the Credit Event was made (the "Original Currency") no longer exists or the Borrower is not able to make payment to the Administrative Agent for the account of the Lenders in such Original Currency, then all payments to be made by the Borrower hereunder in such currency shall instead be made when due in Dollars in an amount equal to the Dollar Amount (as of the date of repayment) of such payment due, it being the intention of the parties hereto that the Borrower takes all risks of the imposition of any such currency control or exchange regulations. 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, the Borrower is prohibited by any law from making any required payment hereunder in a Foreign Currency, the Borrower shall make such payment in Dollars in the Dollar Amount of the Foreign Currency payment amount.

(b) At any time that payments are not required to be applied in the manner required by Section 7.03, if at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) With the prior consent of the Borrower, any payment of principal, interest, LC Disbursements, fees, premiums, reimbursable expenses (including, without limitation, all reimbursement for fees and expenses pursuant to Section 9.03), and other sums payable under the Loan Documents, may be paid from the proceeds of Borrowings made hereunder or may be deducted from any deposit account of the Borrower maintained with the Administrative Agent.

(d) If, except as expressly provided herein, any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or participations in LC Disbursements or Swingline Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements and Swingline Loans and accrued interest thereon than the proportion received by any other similarly situated Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements and Swingline Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by all such Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in LC Disbursements and Swingline Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements and Swingline Loans to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(e) Unless the Administrative Agent shall have received, prior to any date on which any payment is due to the Administrative Agent for the account of the relevant Lenders or the Issuing Bank pursuant to the terms of this Agreement or any other Loan Document (including any date that is fixed for prepayment by notice from the Borrower to the Administrative Agent pursuant to Section 2.11(a)), notice from the Borrower that the Borrower will not make such payment or prepayment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the relevant Lenders or the Issuing Bank, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the relevant Lenders or the Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Bank 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 applicable Overnight Rate.

SECTION 2.19. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.15, or if the 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 2.17, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.17, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If (i) any Lender requests compensation under Section 2.15, (ii) the 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 2.17 or (iii) any Lender becomes a Defaulting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights (other than its existing rights to payments pursuant to Section 2.15 or 2.17) and obligations under this Agreement and the other Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent (and if a Revolving Commitment is being assigned, the Issuing Bank and the Swingline Lender), which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.17, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply. Each party hereto agrees that (i) an assignment required pursuant to this paragraph may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and such parties are participants), and (ii) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to and be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender, provided that any such documents shall be without recourse to or warranty by the parties thereto.

SECTION 2.20. Expansion Option. The Borrower may from time to time elect to increase the Revolving Commitments or enter into one or more tranches of term loans (each an "Incremental Term Loan"), in each case in minimum increments of $10,000,000 and not less than $50,000,000 so long as, after giving effect thereto, the aggregate amount of all such increases of the Revolving Commitments and all such Incremental Term Loans does not exceed the Incremental Cap. The Borrower may arrange for any such increase or tranche to be provided by one or more Lenders (each Lender so agreeing to an increase in its Revolving Commitment, or to participate in such Incremental Term Loans, an "Increasing Lender"), or by one or more new banks, financial institutions or other entities (each such new bank, financial institution or other entity, an "Augmenting Lender"; provided that no Ineligible Institution may be an Augmenting Lender), which agree to increase their existing Revolving Commitments, or to participate in such Incremental Term Loans, or provide new Revolving Commitments, as the case may be; provided that (i) each Augmenting Lender, shall be subject to the approval of the Borrower and the Administrative Agent and (ii) (x) in the case of an Increasing Lender, the Borrower and such Increasing Lender execute an agreement substantially in the form of Exhibit B hereto, and (y) in the case of an Augmenting Lender, the Borrower and such Augmenting Lender execute an agreement substantially in the form of Exhibit C hereto. No consent of any Lender (other than the Lenders participating in the increase or any Incremental Term Loan) shall be required for any increase in Revolving Commitments or any Incremental Term Loan pursuant to this Section 2.20. Increases and new Revolving Commitments and Incremental Term Loans created pursuant to this Section 2.20 shall become effective on the date agreed by the Borrower, the Administrative Agent and the relevant Increasing Lenders or Augmenting Lenders, and the Administrative Agent shall notify each Lender thereof. Notwithstanding the foregoing, no increase in the Revolving Commitments (or in the Revolving Commitment of any Lender) or tranche of Incremental Term Loans shall become effective under this paragraph unless, (i) on the proposed date of the effectiveness of such increase or Incremental Term Loans, (A) the conditions set forth in paragraphs (a) and (b) of Section 4.02 shall be satisfied or waived by the Required Lenders and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer of the Borrower and (B) the Borrower shall be in compliance (on a pro forma basis) with the covenants contained in Section 6.13 and (ii) the Administrative Agent shall have received (x) documents and opinions (to the extent requested by the Administrative Agent) consistent with those delivered on the Effective Date as to the organizational power and authority of the Borrower to borrow hereunder after giving effect to such increase or Incremental Term Loan and (y) reaffirmations from the Loan Parties. On the effective date of any increase in the Revolving Commitments or any Incremental Term Loans being made, (i) each relevant Increasing Lender and Augmenting Lender shall make available to the Administrative Agent such amounts in immediately available funds as the Administrative Agent shall determine, for the benefit of the other Lenders, as being required in order to cause, after giving effect to such increase and the use of such amounts to make payments to such other Lenders, each Lender's portion of the outstanding Revolving Loans of all the Lenders to equal its Applicable Percentage of such outstanding Revolving Loans, and (ii) the Borrower shall be deemed to have repaid and reborrowed all outstanding Revolving Loans as of the date of any increase in the Revolving Commitments (with such reborrowing to consist of the Types of Revolving Loans, with related Interest Periods if applicable, specified in a notice delivered by the Borrower, in accordance with the requirements of Section 2.03). The deemed payments made pursuant to clause (ii) of the immediately preceding sentence shall be accompanied by payment of all accrued interest on the amount prepaid and, in respect of each Term Benchmark Loan, shall be subject to indemnification by the Borrower pursuant to the provisions of Section 2.16 if the deemed payment occurs other than on the last day of the related Interest Periods. The Incremental Term Loans (a) shall rank pari passu in right of payment with the Revolving Loans and the initial Term Loans, (b) shall not mature earlier than the Maturity Date (but may have amortization prior to such date) and (c) shall be treated substantially the same as (and in any event no more favorably than) the Revolving Loans and the initial Term Loans; provided that (i) the terms and conditions applicable to any tranche of Incremental Term Loans maturing after the Maturity Date may provide for material additional or different financial or other covenants or prepayment requirements applicable only during periods after the Maturity Date and (ii) the Incremental Term Loans may be priced differently than the Revolving Loans and the initial Term Loans. Incremental Term Loans may be made hereunder pursuant to an amendment or restatement (an "Incremental Term Loan Amendment") of this Agreement and, as appropriate, the other Loan Documents, executed by the Borrower, each Increasing Lender participating in such tranche, each Augmenting Lender participating in such tranche, if any, and the Administrative Agent. The Incremental Term Loan Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent, to effect the provisions of this Section 2.20. Nothing contained in this Section 2.20 shall constitute, or otherwise be deemed to be, a commitment on the part of any Lender to increase its Revolving Commitment hereunder, or provide Incremental Term Loans, at any time.

SECTION 2.21. Judgment Currency. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from the Borrower hereunder in the currency expressed to be payable herein (the "specified currency") into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the specified currency with such other currency at the Administrative Agent's main New York City office on the Business Day preceding that on which final, non-appealable judgment is given. The obligations of the Borrower in respect of any sum due to any Lender or the Administrative Agent hereunder shall, notwithstanding any judgment in a currency other than the specified currency, be discharged only to the extent that on the Business Day following receipt by such Lender or the Administrative Agent (as the case may be) of any sum adjudged to be so due in such other currency such Lender or the Administrative Agent (as the case may be) may in accordance with normal, reasonable banking procedures purchase the specified currency with such other currency. If the amount of the specified currency so purchased is less than the sum originally due to such Lender or the Administrative Agent, as the case may be, in the specified currency, the Borrower agrees, to the fullest extent that it may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender or the Administrative Agent, as the case may be, against such loss, and if the amount of the specified currency so purchased exceeds (a) the sum originally due to any Lender or the Administrative Agent, as the case may be, in the specified currency and (b) any amounts shared with other Lenders as a result of allocations of such excess as a disproportionate payment to such Lender under Section 2.18, such Lender or the Administrative Agent, as the case may be, agrees to remit such excess to the Borrower.

SECTION 2.22. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender pursuant to Section 2.12(a);

(b) 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 Section 7.03 or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 9.08 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 Issuing Bank or the Swingline Lender hereunder; third, to cash collateralize LC Exposure with respect to such Defaulting Lender in accordance with this Section; fourth, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which 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 Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) cash collateralize future LC Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with this Section; sixth, to the payment of any amounts owing to the Lenders, the Issuing Bank or the Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the Issuing Bank or the Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement or under any other Loan Document; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement or under any other Loan Document; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or LC Disbursements in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and LC Disbursements owed to, all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or LC Disbursements owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in the Borrower's obligations corresponding to such Defaulting Lender's LC Exposure and Swingline Loans are held by the Lenders pro rata in accordance with the Commitments without giving effect to clause (d) below. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post cash collateral pursuant to this Section shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto;

(c) the Commitment and Revolving Credit Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 9.02); provided, further, that any amendment, waiver or other modification requiring the consent of all Lenders or all Lenders directly affected thereby shall not, except as otherwise provided in Section 9.02, require the consent of such Defaulting Lender in accordance with the terms hereof;

(d) if any Swingline Exposure or LC Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of the Swingline Exposure and LC Exposure of such Defaulting Lender (other than, in the case of a Defaulting Lender that is the Swingline Lender, the portion of such Swingline Exposure referred to in clause (b) of the definition of such term) shall be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Percentages but only to the extent that such reallocation does not, as to any non-Defaulting Lender, cause such non-Defaulting Lender's Revolving Credit Exposure to exceed its Revolving Commitment;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall within one (1) Business Day following notice by the Administrative Agent (x) first, prepay such Swingline Exposure and (y) second, cash collateralize for the benefit of the Issuing Bank only the Borrower's obligations corresponding to such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.06(j) for so long as such LC Exposure is outstanding;

(iii) if the Borrower cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.12(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Section 2.12(a) and Section 2.12(b) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages; and

(v) if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of the Issuing Bank or any other Lender hereunder, all letter of credit fees payable under Section 2.12(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the Issuing Bank until and to the extent that such LC Exposure is reallocated and/or cash collateralized; and

(e) so long as such Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Loan and the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding LC Exposure will be 100% covered by the Revolving Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrower in accordance with Section 2.22(d), and Swingline Exposure related to any such newly made Swingline Loan or LC Exposure related to any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.22(d)(i) (and such Defaulting Lender shall not participate therein).

If (i) a Bankruptcy Event or a Bail-In Action with respect to a Lender Parent shall occur following the date hereof and for so long as such event shall continue or (ii) the Swingline Lender or the Issuing Bank has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, the Swingline Lender shall not be required to fund any Swingline Loan and the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless the Swingline Lender or the Issuing Bank, as the case may be, shall have entered into arrangements with the Borrower or such Lender, satisfactory to the Swingline Lender or the Issuing Bank, as the case may be, to defease any risk to it in respect of such Lender hereunder.

In the event that the Administrative Agent, the Borrower, the Swingline Lender and the Issuing Bank each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure and LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders (other than Swingline Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Percentage.

SECTION 2.23 Extension of Maturity Date.

(a) Requests for Extension. The Borrower may, by notice to the Administrative Agent (who shall promptly notify the Lenders) from time to time during the Extension Availability Period, request that each Lender extend such Lender's Maturity Date (the "Existing Maturity Date") to the date that is one year after the Maturity Date then in effect for such Lender (such extended date, the "Extended Maturity Date") so long as such extension does not cause the tenor of any Lender's Commitment to exceed five (5) years from the date upon which the conditions precedent to the effectiveness of such extension of the Existing Maturity Date set forth in clause (f) below have been satisfied (an "Extension Date").

(b) Lender Elections to Extend. Each Lender, acting in its sole and individual discretion, shall, by notice to the Administrative Agent given not later than the date that is 15 days after the date on which the Administrative Agent received the Borrower's extension request (the "Lender Notice Date"), or such other date as agreed to by the Borrower and the Administrative Agent, advise the Administrative Agent whether or not such Lender agrees to such extension (each Lender that determines to so extend its Maturity Date, an "Extending Lender"). Each Lender that determines not to so extend its Maturity Date (a "Non-Extending Lender") shall notify the Administrative Agent of such fact promptly after such determination (but in any event no later than the Lender Notice Date), and any Lender that does not so advise the Administrative Agent on or before the Lender Notice Date shall be deemed to be a Non-Extending Lender. The election of any Lender to agree to such extension shall not obligate any other Lender to so agree, and it is understood and agreed that no Lender shall have any obligation whatsoever to agree to any request made by the Borrower for extension of the Maturity Date.

(c) Notification by Administrative Agent. The Administrative Agent shall notify the Borrower of each Lender's determination under this Section no later than five Business Days after the applicable Lender Notice Date (or, if such date is not a Business Day, on the next preceding Business Day), or such other date acceptable to the Borrower, the Administrative Agent and any such Lender.

(d) Additional Commitment Lenders. The Borrower shall have the right, but shall not be obligated, on or before the applicable Maturity Date for any Non-Extending Lender to replace such Non-Extending Lender with, and add as "Revolving Lenders", "Term Lenders" and/or "Lenders", as applicable, under this Agreement in place thereof, one or more financial institutions that are not Ineligible Institutions (each, an "Additional Commitment Lender") approved by the Administrative Agent in accordance with the procedures provided in Section 2.19(b), each of which Additional Commitment Lenders shall have entered into an Assignment and Assumption (in accordance with and subject to the restrictions contained in Section 9.04, with the Borrower or replacement Lender obligated to pay any applicable processing or recordation fee) with such Non-Extending Lender, pursuant to which such Additional Commitment Lenders shall, effective on or before the applicable Maturity Date for such Non-Extending Lender, assume a Commitment (and, if any such Additional Commitment Lender is already a Lender, its Commitment shall be in addition to such Lender's Commitment hereunder on such date). The Administrative Agent may effect such amendments to this Agreement as are reasonably necessary to provide for any such extensions with the consent of the Borrower but without the consent of any other Lenders.

(e) Minimum Extension Requirement. If (and only if) the total of the Commitments of the Lenders that have agreed to extend their Maturity Date and the new or increased Commitments of any Additional Commitment Lenders is more than 50% of the aggregate amount of the Commitments in effect immediately prior to the applicable Extension Date, then, effective as of the applicable Extension Date, the Maturity Date of each Extending Lender and of each Additional Commitment Lender shall be extended to the Extended Maturity Date (except that, if such date is not a Business Day, such Maturity Date as so extended shall be the next preceding Business Day) and each Additional Commitment Lender shall thereupon become a "Lender" for all purposes of this Agreement and shall be bound by the provisions of this Agreement as a Lender hereunder and shall have the obligations of a Lender hereunder.

(f) Conditions to Effectiveness of Extension. Notwithstanding the foregoing, (x) no more than two (2) extensions of the Maturity Date shall be permitted hereunder, (y) no more than one (1) extension of the Maturity Date may be effected in any period of twelve months and (z) any extension of any Maturity Date pursuant to this Section 2.23 shall not be effective with respect to any Extending Lender unless:

(i) no Default or Event of Default shall have occurred and be continuing on the applicable Extension Date and immediately after giving effect thereto;

(ii) the representations and warranties of the Borrower set forth in this Agreement shall be true and correct in all material respects (provided that any representation or warranty that is qualified by materiality or Material Adverse Effect shall be true and correct in all respects) on and as of the applicable Extension Date and after giving effect thereto, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (provided that any representation or warranty that is qualified by materiality or Material Adverse Effect shall be true and correct in all respects) as of such earlier date; and

(iii) the Administrative Agent shall have received a certificate from the Borrower signed by a Financial Officer of the Borrower (A) certifying the accuracy of the foregoing clauses (i) and (ii) and (B) certifying and attaching the resolutions that permit the Borrower to enter into such extension.

(g) Maturity Date for Non-Extending Lenders. On the Maturity Date of each Non-Extending Lender, (i) the Commitment of each Non-Extending Lender shall automatically terminate and (ii) the Borrower shall repay such Non-Extending Lender in accordance with Section 2.10 (and shall pay to such Non-Extending Lender all of the other Obligations owing to it under this Agreement) and after giving effect thereto shall prepay any Revolving Loans outstanding on such date (and pay any additional amounts required pursuant to Section 2.16) to the extent necessary to keep outstanding Revolving Loans ratable with any revised Applicable Percentages of the respective Lenders effective as of such date, and the Administrative Agent shall administer any necessary reallocation of the Credit Exposures (without regard to any minimum borrowing, pro rata borrowing and/or pro rata payment requirements contained elsewhere in this Agreement).

(h) Conflicting Provisions. This Section shall supersede any provisions in Section 2.18, Section 9.02 or otherwise to the contrary.

SECTION 2.24. ESG Amendment.

(a) The parties hereto acknowledge that the Sustainability Targets have not been determined and agreed as of the Effective Date and that Schedule 1.01 therefore has been intentionally left blank as of the Effective Date. The Borrower may, at any time prior to the eighteen month anniversary of the Effective Date, submit a request in writing to the Administrative Agent that this Agreement be amended to include the Sustainability Targets and other related provisions (including without limitation those provisions described in this Section 2.24), to be mutually agreed by the requisite parties hereto in accordance with this Section 2.24 and Section 9.02(b) (such amendment, the "ESG Amendment"). Such request shall be accompanied by the proposed Sustainability Targets as prepared by the Borrower in consultation with the Sustainability Structuring Agent and devised with assistance from the Sustainability Assurance Provider (defined below), which shall be included as Schedule 1.01. The proposed ESG Amendment shall also include the ESG Pricing Provisions (defined below) and shall identify a sustainability assurance provider, provided that any such sustainability assurance provider shall be a qualified external reviewer, independent of the Borrower and its Subsidiaries, with relevant expertise, such as an auditor, environmental consultant and/or independent ratings agency of recognized national standing (the "Sustainability Assurance Provider").

(b) Upon the Borrower delivering a request pursuant to Section 2.24(a), the Administrative Agent and the Borrower shall in good faith enter into discussions to reach an agreement in respect of the proposed Sustainability Targets and Sustainability Assurance Provider, and any proposed incentives and penalties for compliance and noncompliance, respectively, with the Sustainability Targets, including any adjustments to the Applicable Rate (and/or the Commitment Fee Rate therein) (such provisions, collectively, the "ESG Pricing Provisions"); provided that the amount of any such adjustments made pursuant to an ESG Amendment shall not result in a decrease or an increase of more than (i) 0.02% in the Commitment Fee Rate set forth in the definition of "Applicable Rate" and/or (ii) 0.05% in the Term Benchmark Spread, the RFR Spread and the ABR Spread set forth in the definition of "Applicable Rate" (the spreads referenced in the immediately foregoing clause (ii), the "Specified Spreads") during any calendar year, which pricing adjustments shall be applied in accordance with the terms as further described in the ESG Pricing Provisions; provided that (i) in no event shall any of the Specified Spreads or the Commitment Fee Rate be less than 0% at any time and (ii) for the avoidance of doubt, such pricing adjustments shall not be cumulative year-over-year, and each applicable adjustment shall only apply until the date on which the next adjustment is due to take place pursuant to the ESG Pricing Provisions. The ESG Amendment (including the ESG Pricing Provisions) will become effective once the Borrower, the Administrative Agent and the Required Lenders have executed the ESG Amendment. The Borrower shall not be required to pay any amendment or similar fees to any Lender in connection with the ESG Amendment. The Borrower agrees and confirms that the ESG Pricing Provisions shall follow the Sustainability Linked Loan Principles, as published in March 2022, and as may be updated, revised or amended from time to time by the Loan Market Association and the Loan Syndications & Trading Association (the "SLL Principles").

(c) Following the effectiveness of the ESG Amendment, any amendment or other modification to the ESG Pricing Provisions which does not have the effect of reducing the Specified Spreads or the Commitment Fee Rate to a level not otherwise permitted by this Section 2.24 shall be subject only to the consent of the Required Lenders.

As used in this Section 2.24, "Sustainability Targets" means specified key performance indicators with respect to certain environmental, social and governance targets of the Borrower and its Subsidiaries, which shall be confirmed by the Borrower as being consistent with the SLL Principles.

ARTICLE III

Representations and Warranties

The Borrower represents and warrants to the Lenders that:

SECTION 3.01. Organization; Powers; Subsidiaries. Each of the Borrower and its Restricted Subsidiaries is duly organized or formed, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required. Schedule 3.01 hereto identifies each Subsidiary of the Borrower as of the Effective Date, noting whether such Subsidiary is a Material Domestic Subsidiary, the jurisdiction of its incorporation or organization, as the case may be, the percentage of issued and outstanding shares of each class of its capital stock or other equity interests owned by the Borrower and the other Subsidiaries and, if such percentage is not 100% (excluding directors' qualifying shares as required by law), a description of each class issued and outstanding. Schedule 5.11 hereto identifies each Unrestricted Subsidiary as of the Effective Date. All of the outstanding shares of capital stock and other equity interests of each Subsidiary Guarantor and each Pledge Subsidiary are validly issued and outstanding and, to the extent applicable, fully paid and nonassessable and, as of the Effective Date, all such shares and other equity interests indicated on Schedule 3.01 as owned by the Borrower or another Subsidiary are owned, beneficially and of record, by the Borrower or any Subsidiary free and clear of all Liens (it being understood and agreed that the representation and warranty contained in this sentence shall cease to apply to any such shares or other equity interests to the extent such shares or other equity interests have been sold, transferred or otherwise disposed of by the Borrower or such Subsidiary to a non-affiliated third party in accordance with the terms of this Agreement following the Effective Date), other than Liens created under the Loan Documents and other Liens permitted under Section 6.02.

SECTION 3.02. Authorization; Enforceability. The Transactions are within each Loan Party's organizational powers and have been duly authorized by all necessary organizational actions and, if required, actions by equity holders. The Loan Documents to which each Loan Party is a party have been duly executed and delivered by such Loan Party and constitute a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to (i) applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally, (ii) general principles of equity, regardless of whether considered in a proceeding in equity or at law and (iii) requirements of reasonableness, good faith and fair dealing.

SECTION 3.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been, or will be by the time required, obtained or made and are, or will be by the time required, in full force and effect and except for any filings necessary to perfect Liens created pursuant to the Loan Documents, (b) will not violate in any material respect any applicable law or regulation or the charter, by-laws or other organizational documents of the Borrower or any of its Restricted Subsidiaries or any applicable material law or regulation or any material order of any Governmental Authority binding upon the Borrower or any of the Subsidiaries or its assets, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Borrower or any of its Restricted Subsidiaries or its assets, or give rise to a right thereunder to require any payment to be made by the Borrower or any of its Subsidiaries, except, in the case of clause (c), for any such violations, defaults or rights that could not reasonably be expected to result in a Material Adverse Effect, and (d) will not result in the creation or imposition of, or the requirement to create, any Lien on any asset of the Borrower or any of its Restricted Subsidiaries, other than Liens created under the Loan Documents.

SECTION 3.04. Financial Condition; No Material Adverse Change. (a) The Borrower has heretofore furnished to the Lenders its consolidated balance sheet and statements of income, stockholders equity and cash flows (i) as of and for the fiscal year ended December 31, 2021 reported on by KPMG LLP, independent public accountants, and (ii) as of and for the fiscal quarter and the portion of the fiscal year ended March 31, 2022, certified by its chief financial officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Borrower and its consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) above.

(b) Since December 31, 2021, there has been no change in the business, assets, operations or financial condition of the Borrower and its Subsidiaries, taken as a whole, which has had, or could reasonably be expected to have, a Material Adverse Effect.

SECTION 3.05. Properties. (a) Except for Liens permitted pursuant to Section 6.02, each of the Borrower and its Restricted Subsidiaries has good title to, or (to the knowledge of the Borrower or any Restricted Subsidiary) valid leasehold interests in, all its real and personal property (other than intellectual property, which is subject to Section 3.05(b)) material to its business, except as could not reasonably be expected to result in a Material Adverse Effect.

(b) Each of the Borrower and its Restricted Subsidiaries owns, or is licensed to use (subject to the knowledge-qualified infringement representation in this Section 3.05(b)), all trademarks, trade names, copyrights, patents and other intellectual property material to its business, and the use thereof by the Borrower and its Restricted Subsidiaries, to any Loan Party's knowledge, does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06. Litigation, Environmental and Labor Matters. (a) There are no actions, suits, proceedings or investigations by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its Restricted Subsidiaries (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that involve this Agreement or the Transactions.

(b) Except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Borrower nor any of its Restricted Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability or (iii) has received written notice of any claim with respect to any Environmental Liability.

(c) There are no strikes, lockouts or slowdowns against the Borrower or any of its Subsidiaries pending or, to their knowledge, threatened except for such strikes, lockouts or slowdowns that could not reasonably be expected to result in a Material Adverse Effect. The hours worked by and payments made to employees of the Borrower and its Restricted Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law relating to such matters except for such violations that could not reasonably be expected to result in a Material Adverse Effect. All material payments due from the Borrower or any of its Restricted Subsidiaries, or for which any claim may be made against the Borrower or any of its Restricted Subsidiaries, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as liabilities on the books of the Borrower or such Restricted Subsidiary. The consummation of the Transactions will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement under which the Borrower or any of its Restricted Subsidiaries is bound.

SECTION 3.07. Compliance with Laws and Agreements. Each of the Borrower and its Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.08. Investment Company Status. Neither the Borrower nor any of its Restricted Subsidiaries is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.09. Taxes. Each of the Borrower and its Restricted Subsidiaries has timely filed or caused to be filed all federal income Tax returns and all other material Tax returns and reports required to have been filed by it and has paid, caused to be paid or made a provision for the payment of all federal income Taxes and all other material Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Borrower or such Restricted Subsidiary, as applicable, has set aside on its books adequate reserves in accordance with GAAP or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.10. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.11. Disclosure. All written information (including the Information Memorandum), other than any projections, estimates, forecasts and other forward-looking information and information of a general economic or industry-specific nature, furnished by or on behalf of the Borrower or any Restricted Subsidiary to the Administrative Agent or any Lender pursuant to or in connection with this Agreement or any other Loan Document, when taken as a whole and after giving effect to all supplements and updates thereto, does not (when furnished) contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading (when taken as a whole) in light of the circumstances under which such statements are made; provided that, with respect to projections, estimates, forecasts and other forward-looking information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed by the Borrower to be reasonable at the time prepared (it being understood by the Administrative Agent and the Lenders that any such information (i) is based on future events, are not to be viewed as facts, and are subject to significant uncertainties and contingencies, many of which are beyond the Borrower's control, that no assurance can be given that any particular projections, estimates or forecasts will be realized and that actual results during the period or periods covered by any such projections, estimates or forecasts may differ significantly from the projected results and such differences may be material and (ii) are not a guarantee of performance). As of the Effective Date, to the best knowledge of the Borrower, the information included in the Beneficial Ownership Certification provided on or prior to the Effective Date to any Lender in connection with this Agreement is true and correct in all material respects.

SECTION 3.12. Liens. As of the Effective Date, there are no Liens on any of the real or personal properties of the Borrower or any Restricted Subsidiary except for Liens permitted by Section 6.02.

SECTION 3.13. No Default. No Default or Event of Default has occurred and is continuing.

SECTION 3.14. No Burdensome Restrictions. As of the Effective Date, the Borrower is not subject to any Burdensome Restrictions except Burdensome Restrictions permitted under Section 6.09.

SECTION 3.15. Solvency. The Loan Parties taken as a whole are Solvent as of the Effective Date.

SECTION 3.16. Insurance. The Borrower maintains, and has caused each Restricted Subsidiary to maintain, with financially sound and reputable insurance companies, insurance on all their real and personal property in such amounts, subject to such deductibles and self-insurance retentions and covering such properties and risks as are adequate and customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations.

SECTION 3.17. Security Interest in Collateral. The provisions of this Agreement and the other Loan Documents create legal and valid perfected Liens on all the Collateral in favor of the Administrative Agent, for the benefit of the Secured Parties, and such Liens constitute perfected and continuing Liens on the Collateral, securing the Secured Obligations, enforceable against the applicable Loan Party, and having priority over all other Liens on the Collateral except in the case of (a) Permitted Encumbrances, to the extent any such Permitted Encumbrances would have priority over the Liens in favor of the Administrative Agent pursuant to any applicable law, (b) Liens perfected only by possession (including possession of any certificate of title) to the extent the Administrative Agent has not obtained or does not maintain possession of such Collateral and (c) Liens perfected only by control to the extent the Administrative Agent has not obtained control of such Collateral.

SECTION 3.18. Anti-Corruption Laws and Sanctions. The Borrower has implemented and maintains in effect policies and procedures designed to promote and achieve compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its Subsidiaries and their respective officers and directors and to the knowledge of the Borrower its employees and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) the Borrower, any Subsidiary or to the knowledge of the Borrower or such Subsidiary, any of their respective directors or officers or employees, or (b) to the knowledge of the Borrower, any agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or Letter of Credit, use of proceeds or other transaction contemplated by this Agreement will violate any Anti-Corruption Law or applicable Sanctions.

SECTION 3.19. Affected Financial Institutions. No Loan Party is an Affected Financial Institution.

SECTION 3.20. Plan Assets; Prohibited Transactions. None of the Borrower or any of its Restricted Subsidiaries is an entity deemed to hold “plan assets” (within the meaning of the Plan Asset Regulations), and neither the execution, delivery nor performance of the transactions contemplated under this Agreement, including the making of any Loan and the issuance of any Letter of Credit hereunder, will give rise to a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

SECTION 3.21. Margin Regulations. The Borrower is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying Margin Stock, or extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds of any Borrowing or Letter of Credit extension hereunder will be used to buy or carry any Margin Stock. Following the application of the proceeds of each Borrowing or drawing under each Letter of Credit, not more than 25% of the value of the assets (either of the Borrower only or of the Borrower and its Subsidiaries on a consolidated basis) will be Margin Stock.

ARTICLE IV

Conditions

SECTION 4.01. Effective Date. The obligations of the Lenders to make Loans and of the Issuing Bank to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent (or its counsel) shall have received (i) from each party hereto a counterpart of this Agreement signed on behalf of such party (which, subject to Section 9.06, may include any Electronic Signatures transmitted by telecopy, emailed pdf, or any other electronic means that reproduces an image of an actual executed signature page) and (ii) duly executed copies of the other Loan Documents and such other legal opinions, certificates, documents, instruments and agreements as the Administrative Agent shall reasonably request in connection with the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel and as further described in the list of closing documents attached as Exhibit D.

(b) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of Ashurst LLP, counsel for the Loan Parties, and covering such other matters relating to the Loan Parties, the Loan Documents or the Transactions as the Administrative Agent shall reasonably request. The Borrower hereby requests such counsel to deliver such opinion.

(c) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the initial Loan Parties, the authorization of the Transactions and any other legal matters relating to such Loan Parties, the Loan Documents or the Transactions, all in form and substance satisfactory to the Administrative Agent and its counsel and as further described in the list of closing documents attached as Exhibit D.

(d) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by the President, a Vice President or a Financial Officer of the Borrower, certifying (i) that the representations and warranties contained in Article III are true and correct as of such date and (ii) that no Default or Event of Default has occurred and is continuing as of such date.

(e) The Administrative Agent shall have received evidence satisfactory to it that the credit facility evidenced by the Existing Credit Agreement shall have been terminated and cancelled and all indebtedness thereunder shall have been fully repaid (except to the extent being so repaid with the initial Loans) and any and all liens thereunder shall have been terminated.

(f) (i) The Administrative Agent shall have received, at least five (5) days prior to the Effective Date, all documentation and other information regarding the Borrower requested in connection with applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act, to the extent requested in writing of the Borrower at least ten (10) days prior to the Effective Date and (ii) to the extent the Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, at least five (5) days prior to the Effective Date, any Lender that has requested, in a written notice to the Borrower at least ten (10) days prior to the Effective Date, a Beneficial Ownership Certification in relation to the Borrower shall have received such Beneficial Ownership Certification (provided that, upon the execution and delivery by such Lender of its signature page to this Agreement, the condition set forth in this clause (f) shall be deemed to be satisfied).

(g) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder.

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding.

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of the Issuing Bank to issue, amend or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrower set forth in this Agreement shall be true and correct in all material respects (provided that any representation or warranty that is qualified by materiality or Material Adverse Effect shall be true and correct in all respects) on and as of the date of such Borrowing or the date of issuance, amendment or extension of such Letter of Credit, as applicable, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (provided that any representation or warranty that is qualified by materiality or Material Adverse Effect shall be true and correct in all respects) as of such earlier date.

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment or extension of such Letter of Credit, as applicable, no Default or Event of Default shall have occurred and be continuing.

Each Borrowing and each issuance, amendment or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

ARTICLE V

Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full (other than Obligations expressly stated to survive such payment and termination) and all Letters of Credit shall have expired or terminated, in each case, without any pending draw, and all LC Disbursements shall have been reimbursed, the Borrower covenants and agrees with the Lenders that:

SECTION 5.01. Financial Statements and Other Information. The Borrower will furnish to the Administrative Agent for distribution to each Lender:

(a) within ninety (90) days after the end of each fiscal year of the Borrower (or, if earlier, by the date that the Annual Report on Form 10-K of the Borrower for such fiscal year would be required to be filed under the rules and regulations of the SEC, giving effect to any automatic extension available thereunder for the filing of such form) commencing with the fiscal year of the Borrower ended December 31, 2022, its audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by KPMG LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification, commentary or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) within forty-five (45) days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower (or, if earlier, by the date that the Quarterly Report on Form 10-Q of the Borrower for such fiscal quarter would be required to be filed under the rules and regulations of the SEC, giving effect to any automatic extension available thereunder for the filing of such form) commencing with the fiscal quarter of the Borrower ended June 30, 2022, its consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of the Borrower (i) certifying as to whether, to the knowledge of such Financial Officer, a Default has occurred and is continuing and, if a Default has occurred that is continuing, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.13, (iii) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 3.04 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate and (iv) including unaudited consolidating information relating to the Borrower and its Subsidiaries and identifying the financial information attributable to the Unrestricted Subsidiaries, which consolidating information shall be certified by such Financial Officer of the Borrower as having been fairly presented in all material respects;

(d) as soon as available, but in any event not later than sixty (60) days following the end of each fiscal year of the Borrower, a copy of the plan and forecast (including a projected consolidated balance sheet, income statement and funds flow statement) of the Borrower for each quarter of the upcoming fiscal year in form reasonably satisfactory to the Administrative Agent;

(e) concurrently with any delivery of financial statements under clause (a) or (b) above, a schedule of all periodic and other reports, proxy statements and other materials filed by the Borrower or any Subsidiary with the SEC, or any Governmental Authority succeeding to any or all of the functions of the SEC, or with any national securities exchange, or distributed by the Borrower to its shareholders generally, as the case may be;

(f) promptly after receipt thereof by the Borrower or any Subsidiary, 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 the SEC or such other agency regarding financial or other operational results of the Borrower or any Subsidiary thereof;

(g) concurrently with any delivery of financial statements under clause (a) or (b) above, a schedule of all detailed audit reports, management letters or recommendations submitted to the board of directors (or the audit committee of the board of directors) of the Borrower by independent accountants in connection with the accounts or books of the Borrower or any Subsidiary, or any audit of any of them as the Administrative Agent or any Lender (through the Administrative Agent) may reasonably request;

(h) promptly following any request therefor, (x) such other information regarding the operations, business affairs and financial condition of the Borrower or any Restricted Subsidiary, or compliance with the terms of this Agreement, as the Administrative Agent or any Lender (through the Administrative Agent) may reasonably request and (y) information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act and the Beneficial Ownership Regulation; and

(i) promptly following the end of each fiscal quarter, a report of all Asbestos Claims commenced or disposed of during such fiscal quarter.

Documents required to be delivered pursuant to Section 5.01(a), (b) or (e) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and, if so delivered, shall be deemed to have been delivered on the date (i) on which such materials are publicly available as posted on the Electronic Data Gathering, Analysis and Retrieval system (EDGAR); or (ii) on which such documents are posted on the Borrower'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 made available by the Administrative Agent); provided that: (A) upon written request by the Administrative Agent (or any Lender through the Administrative Agent) to the Borrower, the Borrower shall deliver paper copies of such documents to the Administrative Agent or such Lender until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (B) the Borrower shall notify the Administrative Agent and each Lender (by telecopier or electronic mail) of the posting of any such documents and provide to the Administrative Agent by electronic 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 Borrower with any such request by a Lender for delivery, and each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such document to it and maintaining its copies of such documents.

SECTION 5.02. Notices of Material Events. The Borrower will furnish to the Administrative Agent (for distribution to each Lender) written notice of the following promptly after a Responsible Officer has actual knowledge thereof:

(a) the occurrence of any Default;

(b) notice of any action arising under any Environmental Law or of any noncompliance by the Borrower or any Subsidiary with any Environmental Law or any permit, approval, license or other authorization required thereunder that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect;

(c) to the extent not reported by the Borrower in materials filed with the SEC, any material change in accounting or financial reporting practices by the Borrower or any Restricted Subsidiary;

(d) [reserved];

(e) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect; and

(f) any change in the information provided in the Beneficial Ownership Certification delivered to such Lender that would result in a change to the list of beneficial owners identified in such certification.

Each notice delivered under this Section (i) shall be in writing, (ii) shall contain a heading or a reference line that reads "Notice under Section 5.02 of the Standard Motor Products, Inc. Credit Agreement dated June 1, 2022" and (iii) shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Existence; Conduct of Business. The Borrower will, and will cause each of its Material Subsidiaries to, do or cause to be done (i) all things necessary to preserve, renew and keep in full force and effect its legal existence and (ii) take, or cause to be taken, all actions to maintain the rights, licenses, permits, privileges and franchises material to the conduct of its business, except, in the case of this clause (ii), to the extent failure to do so could not reasonably be expected to result in a Material Adverse Effect; provided that the foregoing shall not prohibit any merger, consolidation, disposition, liquidation or dissolution or other transaction permitted under Section 6.03.

SECTION 5.04. Payment of Taxes. The Borrower will, and will cause each of its Restricted Subsidiaries to, pay its Tax liabilities, that, if not paid, could result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the Borrower or such Restricted Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05. Maintenance of Properties; Insurance. The Borrower will, and will cause each of its Restricted Subsidiaries to, (a) keep and maintain all tangible property material to the conduct of its business in good working order and condition, ordinary wear and tear and casualty excepted and except (i) as otherwise permitted by Section 6.03 or (ii) where the failure to do so could not reasonably be expected to result in a Material Adverse Effect, and (b) maintain in all material respects, with financially sound and reputable insurance companies, (i) insurance in such amounts and against such risks and such other hazards, as is customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations and (ii) all insurance required pursuant to the Collateral Documents. The Borrower will furnish to the Lenders, upon request of the Administrative Agent, information in reasonable detail as to the insurance so maintained. The Borrower shall deliver to the Administrative Agent endorsements (x) to all "All Risk" physical damage insurance policies on all of the tangible personal property and assets of the Borrower and the Subsidiary Guarantors naming the Administrative Agent as lender loss payee, and (y) to all general liability and other liability policies of the Borrower and the Subsidiary Guarantors naming the Administrative Agent an additional insured. In the event the Borrower or any of its Restricted Subsidiaries at any time or times hereafter shall fail to obtain or maintain any of the policies or insurance required herein or to pay any premium in whole or in part then due and payable relating thereto, then the Administrative Agent, without waiving or releasing any obligations or resulting Default hereunder, may at any time or times thereafter (but shall be under no obligation to do so) obtain and maintain such policies of insurance and pay such premiums and take any other action with respect thereto which the Administrative Agent reasonably deems advisable, it being agreed that the Administrative Agent shall reasonably promptly notify the Borrower of any such action. All sums so disbursed by the Administrative Agent shall constitute part of the Obligations, payable as provided in this Agreement.

SECTION 5.06. Books and Records; Inspection Rights. The Borrower will, and will cause each of its Subsidiaries to, keep proper books of record and accounts in which entries that are full, true and correct in all material respects and that are in conformity with GAAP and which reflect all material financial dealings and material transactions in each case with such materiality relating to the business and activities of the Borrower and its Subsidiaries (taken as a whole) (it being understood and agreed that certain Foreign Subsidiaries may maintain individual books and records in conformity with general accepted accounting principles in their respective countries of organization and that such maintenance shall not constitute a breach of the representations, warranties or covenants hereunder). The Borrower will, and will cause each Restricted Subsidiary to, permit any representatives designated by the Administrative Agent, at reasonable times upon reasonable prior written notice, to visit and inspect its properties, to examine and make extracts from its books and records and to discuss its affairs, finances and condition with its Financial Officers and, provided that the Borrower or such Restricted Subsidiary is afforded the opportunity to participate in such discussion, its independent accountants, all at such reasonable times and as often as reasonably requested; provided that, so long as no Event of Default has occurred and is continuing, such inspections shall not occur more than once in any calendar year and the Borrower shall not be required to reimburse the Administrative Agent or any of its representatives for fees, costs and expenses in connection with the Administrative Agent's exercise of such rights set forth in this sentence more than one time in any calendar year. Notwithstanding anything to the contrary in this Section 5.06, neither the Borrower nor any Restricted Subsidiary will be required to disclose, permit the inspection, examination or making of extracts, or discussion of, any documents, information or other matter that (i) constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent (or any designated representative) is then prohibited by law or any agreement binding on any Loan Party or any Restricted Subsidiary or (iii) is subject to attorney-client or similar privilege or constitutes attorney work-product.

SECTION 5.07. Compliance with Laws and Material Contractual Obligations. The Borrower will, and will cause each of its Subsidiaries to, (i) comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property (including without limitation Environmental Laws) and (ii) perform in all material respects its obligations under material agreements to which it is a party, in each case except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Borrower will maintain in effect and enforce policies and procedures designed to promote and achieve compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

SECTION 5.08. Use of Proceeds. The proceeds of the Loans will be used only to finance, and Letters of Credit will be issued only to support, the working capital needs, and for general corporate purposes, of the Borrower and its Subsidiaries, including to refinance indebtedness of the Borrower and its Subsidiaries existing on the Effective Date. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the regulations of the Federal Reserve Board, including Regulations T, U and X. The Borrower will not request any Borrowing or Letter of Credit, and the Borrower shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Borrowing or Letter of Credit (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, except to the extent permitted for a Person required to comply with Sanctions, or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

SECTION 5.09. Subsidiary Guarantors; Pledges; Additional Collateral; Further Assurances.

(a) As promptly as possible but in any event within forty five (45) days (or such later date as may be agreed upon by the Administrative Agent) after any Person becomes a Domestic Subsidiary or any Domestic Subsidiary qualifies independently as, or is designated by the Borrower or the Administrative Agent as, a Material Domestic Subsidiary pursuant to the definition of "Material Domestic Subsidiary", the Borrower shall provide the Administrative Agent with written notice thereof and shall cause each such Subsidiary which also qualifies as a Material Domestic Subsidiary to deliver to the Administrative Agent a joinder to the Subsidiary Guaranty and a joinder to the Security Agreement (in each case in the form contemplated thereby) pursuant to which such Subsidiary agrees to be bound by the terms and provisions thereof, such Subsidiary Guaranty and the Security Agreement to be accompanied by appropriate corporate resolutions, other corporate documentation and legal opinions in form and substance reasonably satisfactory to the Administrative Agent and its counsel (but, with respect to any such legal opinion, limited to the types of matters covered in the legal opinions delivered pursuant to Section 4.01). Notwithstanding anything to the contrary in any Loan Document, no Excluded Subsidiary shall be required to be a Subsidiary Guarantor.

(b) Subject to the terms, limitations and exceptions set forth in the applicable Collateral Documents, the Borrower will cause, and will cause each other Loan Party to cause, all of its owned property (whether personal, tangible, intangible, or mixed, but excluding the Excluded Assets) to be subject at all times to first priority, perfected Liens in favor of the Administrative Agent for the benefit of the Secured Parties to secure the Secured Obligations in accordance with the terms and conditions of the Collateral Documents, subject in any case to Liens permitted by Section 6.02. Without limiting the generality of the foregoing, the Borrower will cause (A) 100% of the issued and outstanding Equity Interests of each Pledge Subsidiary that is a Domestic Subsidiary and (B) 65% of the issued and outstanding Equity Interests entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) and 100% of the issued and outstanding Equity Interests not entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) in each Pledge Subsidiary that is a Foreign Subsidiary, in each case directly owned by the Borrower or any other Loan Party to be subject at all times to a first priority, perfected Lien in favor of the Administrative Agent to secure the Secured Obligations in accordance with the terms and conditions of the Collateral Documents or such other pledge and security documents as the Administrative Agent shall reasonably request. Notwithstanding the foregoing, no such pledge agreement in respect of the Equity Interests of a Pledge Subsidiary that is a Foreign Subsidiary shall be required hereunder (A) until the date that is sixty (60) days after the Effective Date or such later date as the Administrative Agent may agree in the exercise of its reasonable discretion with respect thereto or (B) to the extent the Administrative Agent or its counsel determines that such pledge would not provide material credit support for the benefit of the Secured Parties pursuant to legally valid, binding and enforceable pledge agreements.

(c) Without limiting the foregoing, the Borrower will, and will cause each Restricted Subsidiary to, execute and deliver, or cause to be executed and delivered, to the Administrative Agent such documents, agreements and instruments, and will take or cause to be taken such further actions (including the filing and recording of financing statements and other documents and such other actions or deliveries of the type required by Section 4.01, as applicable), which may be required by law or which the Administrative Agent may, from time to time, reasonably request to carry out the terms and conditions of this Agreement and the other Loan Documents and to ensure perfection and priority of the Liens created or intended to be created by the Collateral Documents, all at the reasonable expense of the Borrower. Notwithstanding the foregoing or anything contained in this Agreement to the contrary, in respect of the Borrower and its Subsidiaries, (i) no actions in any non-U.S. jurisdiction or required by the laws of any non-U.S. jurisdiction shall be required in order to create any security interests in assets located or titled outside of the U.S. or to perfect such security interests, including any intellectual property registered in any non-U.S. jurisdiction (*provided*, however, that this clause shall not impair the Administrative Agent's ability to obtain a pledge of Equity Interests of Pledge Subsidiaries that are Foreign Subsidiaries as contemplated by this Agreement pursuant to local law governed pledge agreements to the extent such pledge agreements are requested to be delivered by the Administrative Agent) and (ii) springing deposit account control agreements shall only be required, if requested by the Administrative Agent, for deposit accounts not constituting Excluded Assets and having an average daily balance in excess of $5,000,000 in the aggregate.

(d) If any assets are acquired by a Loan Party after the Effective Date (other than Excluded Assets and assets constituting Collateral under the Security Agreement that become subject to the Lien under the Security Agreement upon acquisition thereof), the Borrower will notify the Administrative Agent thereof, and, if requested by the Administrative Agent, the Borrower will cause such assets to be subjected to a Lien securing the Secured Obligations and will take, and cause the other Loan Parties to take, such actions as shall be necessary or reasonably requested by the Administrative Agent to grant and perfect such Liens, including actions described in paragraph (c) of this Section, all at the reasonable expense of the Borrower, subject, however, to the terms, limitations and exceptions set forth herein or in any Collateral Document.

SECTION 5.10. Accuracy of Information. The Borrower will ensure that any information, including financial statements or other documents, furnished to the Administrative Agent or the Lenders in connection with this Agreement or any amendment or modification hereof or waiver hereunder contains no 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, and the furnishing of such information shall be deemed to be a representation and warranty by the Borrower on the date thereof as to the matters specified in this Section; provided that, with respect to projections, estimates, forecasts and other forward-looking information, the Borrower is only required to ensure that such information was prepared in good faith based upon assumptions believed by the Borrower to be reasonable at the time prepared (it being understood by the Administrative Agent and the Lenders that any such information (i) is based on future events, are not to be viewed as facts, and are subject to significant uncertainties and contingencies, many of which are beyond the Borrower's control, that no assurance can be given that any particular projections, estimates or forecasts will be realized and that actual results during the period or periods covered by any such projections, estimates or forecasts may differ significantly from the projected results and such differences may be material and (ii) are not a guarantee of performance).

SECTION 5.11. Designation of Subsidiaries. The Borrower may at any time after the Effective Date designate (or redesignate) any subsidiary as an Unrestricted Subsidiary or any Unrestricted Subsidiary as a Restricted Subsidiary; provided that immediately after giving effect (including giving effect on a pro forma basis) to any such designation, (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom (including after giving effect to the reclassification of investments in, Indebtedness of and Liens on the assets of, the applicable Restricted Subsidiary or Unrestricted Subsidiary), (ii) the Borrower shall be in pro forma compliance with the financial covenants set forth in Section 6.13 and (iii) as of the date of the designation thereof, no Unrestricted Subsidiary owns any Equity Interest in any Restricted Subsidiary of the Borrower (unless such Restricted Subsidiary is also designated as an Unrestricted Subsidiary) or holds any Indebtedness of or any Lien on any property of the Borrower or its Restricted Subsidiaries (unless the Borrower or such Restricted Subsidiary is permitted to incur such Indebtedness or grant such Lien in favor of such Unrestricted Subsidiary pursuant to Sections 6.01 and 6.02 and the relevant transaction with such Person is permitted pursuant to Section 6.09). The designation of any subsidiary as an Unrestricted Subsidiary shall constitute an investment by the Borrower (or its applicable Restricted Subsidiary) therein at the date of designation in an amount equal to the portion of the fair market value of the net assets of such subsidiary attributable to the Borrower's (or its applicable Restricted Subsidiary's) equity interest therein as estimated by the Borrower in good faith (and such designation shall only be permitted to the extent such investment is permitted under Section 6.06). The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute the making, incurrence or granting, as applicable, at the time of designation of any then-existing investment, Indebtedness or Lien of such Restricted Subsidiary, as applicable; provided that upon a re-designation of any Unrestricted Subsidiary as a Restricted Subsidiary, the Borrower shall be deemed to continue to have an investment in the resulting Restricted Subsidiary in an amount (if positive) equal to (a) the Borrower's investment in such Restricted Subsidiary at the time of such re-designation, less (b) the portion of the fair market value of the net assets of such Restricted Subsidiary attributable to the Borrower's equity therein at the time of such re-designation. Notwithstanding anything set forth in this Agreement to the contrary, (A) the Borrower and its Restricted Subsidiaries shall not be permitted to contribute, dispose of or otherwise transfer legal title to, or license on an exclusive basis, any Material Intellectual Property to any non-Loan Party and (B) the Borrower shall not be permitted to designate any Restricted Subsidiary that holds any Material Intellectual Property as an Unrestricted Subsidiary (whether upon initial designation or subsequent investment).

SECTION 5.12. Post-Closing Covenant. No later than thirty (30) days following the Effective Date (or such later date as the Administrative Agent may agree in its sole discretion), the Administrative Agent shall have received insurance endorsements naming the Administrative Agent as (x) lender loss payee for the property casualty insurance policies of the Loan Parties and (y) additional insured with respect to the liability insurance of the Loan Parties.

ARTICLE VI

Negative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full (other than Obligations expressly stated to survive such payment and termination) and all Letters of Credit have expired or terminated, in each case, without any pending draw, and all LC Disbursements shall have been reimbursed, the Borrower covenants and agrees with the Lenders that:

SECTION 6.01. Indebtedness. The Borrower will not, and will not permit any Restricted Subsidiary to, create, incur, assume or permit to exist any Indebtedness, except:

(a) the Secured Obligations;

(b) Indebtedness existing on the date hereof and set forth in Schedule 6.01 and extensions, renewals and replacements of any such Indebtedness with Indebtedness of a similar type that does not increase the outstanding principal amount thereof (except by the amount of any accrued interest and premiums with respect to such Indebtedness and transaction fees, costs and expenses in connection with such extension, renewal or replacement thereof);

(c) Indebtedness of the Borrower to any Restricted Subsidiary and of any Restricted Subsidiary to the Borrower or any other Restricted Subsidiary; provided that (i) Indebtedness of any Restricted Subsidiary that is not a Loan Party to any Loan Party shall be subject to the limitations set forth in Section 6.05(d) and (ii) Indebtedness of any Loan Party to any Restricted Subsidiary that is not a Loan Party shall be subordinated to the Secured Obligations on terms reasonably satisfactory to the Administrative Agent;

(d) Guarantees by the Borrower of Indebtedness or other obligations of any Restricted Subsidiary and by any Restricted Subsidiary of Indebtedness or other obligations of the Borrower or any other Restricted Subsidiary;

(e) Indebtedness of the Borrower or any Restricted Subsidiary incurred to finance the acquisition, construction, repair, replacement, lease or improvement of any fixed or capital assets, including Capital Lease Obligations and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof; provided that (i) such Indebtedness is incurred prior to or within one hundred eighty (180) days after such acquisition or the completion of such construction, repair, replacement, lease or improvement and amendments, modifications, extensions, refinancings, renewals and replacements of any such Indebtedness, and (ii) the aggregate outstanding principal amount of Indebtedness permitted by this clause (e) shall not exceed, at any time outstanding, the greater of $30,000,000 and 20% of Consolidated EBITDA, measured for the Test Period then most recently ended;

(f) Indebtedness of any Person that becomes a Restricted Subsidiary after the date hereof; provided that (i) such Indebtedness exists at the time such Person becomes a Restricted Subsidiary and is not created in contemplation of or in connection with such Person becoming a Restricted Subsidiary and (ii) the aggregate principal amount of Indebtedness permitted by this clause (f) shall not exceed, at any time outstanding, the greater of $25,000,000 and 15% of Consolidated EBITDA, measured for the Test Period then most recently ended;

(g) Indebtedness of the Borrower or any Restricted Subsidiary as an account party in respect of trade letters of credit;

(h) customer advances or deposits or other endorsements for collection, deposit or negotiation and warranties of products or services, in each case received or incurred in the ordinary course of business;

(i) unfunded pension fund and other employee benefit plan obligations and liabilities to the extent they are permitted to remain unfunded under applicable law;

(j) indemnification obligations, earnout or similar obligations, or Guarantees, surety bonds or performance bonds securing the performance of the Borrower or any of its Restricted Subsidiaries, in each case incurred or assumed in connection with an Acquisition or disposition or other acquisition of assets permitted hereunder;

(k) Indebtedness of the Borrower or any of its Restricted Subsidiaries in respect of performance bonds, bid bonds, appeal bonds, surety bonds and similar obligations, in each case provided in the ordinary course of business, including guarantees or obligations with respect to letters of credit supporting such performance bonds, bid bonds, appeal bonds, surety bonds and similar obligations;

(l) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business or otherwise in respect of any netting services, overdrafts and related liabilities arising from treasury, depository and cash management services, employee credit card programs, or in connection with any automated clearing-house transfers of funds;

(m) Indebtedness in respect to judgments or awards under circumstances not giving rise to an Event of Default;

(n) Indebtedness in respect of obligations that are being contested in accordance with Section 5.04;

(o) Indebtedness consisting of (i) deferred payments or financing of insurance premiums incurred in the ordinary course of business of the Borrower or any of its Restricted Subsidiaries and (ii) take or pay obligations contained in any supply agreement entered into in the ordinary course of business;

(p) Indebtedness representing deferred compensation, severance, pension, and health and welfare retirement benefits or the equivalent to current and former employees of the Borrower and its Restricted Subsidiaries incurred in the ordinary course of business or existing on the Effective Date;

(q) Indebtedness of the Borrower or any Restricted Subsidiary; provided that the aggregate outstanding principal amount of Indebtedness permitted by this clause (q) shall not in the aggregate exceed $25,000,000 at any time;

(r) unsecured Indebtedness in an aggregate principal amount not exceeding $10,000,000 at any time outstanding;

(s) Indebtedness under any Swap Agreements permitted by Section 6.06;

(t) unsecured financing of trade payables by any Lender on commercially reasonable terms in the ordinary course of business not to exceed $40,000,000 at any time outstanding;

(u) to the extent constituting Indebtedness, obligations under any Permitted Supply Chain Financings;

(v) Indebtedness of the Borrower or any Restricted Subsidiary consisting of guarantees of Indebtedness of any joint venture that is not a Restricted Subsidiary to the extent permitted as investments under Section 6.05; and

(w) other Indebtedness of the Borrower and its Restricted Subsidiaries, provided that (i) at the time of the incurrence or assumption of any such Indebtedness and immediately after giving effect (including giving effect on a pro forma basis) thereto, (x) no Event of Default shall have occurred and be continuing, (y) the Borrower shall be in compliance with the Total Net Leverage Ratio covenant set forth in Section 6.13(a), calculated on a pro forma basis at the time of incurrence of such Indebtedness and after giving effect thereto (with Consolidated Total Indebtedness and Liquidity measured as of the time of and after giving effect to such Indebtedness (and the application of proceeds thereof to the repayment of any other Indebtedness) and Consolidated EBITDA measured for the Test Period then most recently ended), (ii) such Indebtedness matures after, and in the aggregate, does not require more than $20,000,000 of scheduled amortization or other scheduled payments of principal prior to, the date that is 91 days after the Maturity Date (it being understood that any provision requiring an offer to purchase such Indebtedness as a result of a change of control or asset sale provision shall not violate the foregoing restriction), (iii) such Indebtedness is not guaranteed by any Subsidiary of the Borrower other than the Subsidiary Guarantors (which guarantees, if such Indebtedness is subordinated, shall be expressly subordinated to the Secured Obligations on terms not less favorable to the Lenders than the subordination terms of such Subordinated Indebtedness) and (iv) the covenants applicable to such Indebtedness are not more onerous or more restrictive in any material respect (taken as a whole), as determined in the good faith judgement of the Borrower, than the applicable covenants set forth in this Agreement.

SECTION 6.02. Liens. The Borrower will not, and will not permit any Restricted Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, except:

(a) Liens created pursuant to any Loan Document including with respect to any obligation to provide cash collateral;

(b) Permitted Encumbrances;

(c) any Lien on any property or asset of the Borrower or any Restricted Subsidiary existing on the date hereof and set forth in Schedule 6.02 and any amendments, modifications, extensions, renewals, refinancings and replacements thereof; provided that (i) such Lien shall not apply to any other property or asset of the Borrower or any Restricted Subsidiary other than improvements thereon and proceeds from the disposition of such property or asset and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof (except by the amount of any accrued interest and premiums with respect to such Indebtedness and transaction fees, costs and expenses in connection with such extension, renewal or replacement thereof);

(d) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Subsidiary or existing on any property or asset of any Person that becomes a Restricted Subsidiary after the date hereof prior to the time such Person becomes a Restricted Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Restricted Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Borrower or any Restricted Subsidiary (other than the proceeds or products thereof and other than after-acquired property subjected to a Lien securing Indebtedness and other obligations incurred prior to such time and which Indebtedness and other obligations are permitted hereunder that require, pursuant to their terms at such time, a pledge of after- acquired property) and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Restricted Subsidiary, as the case may be, and amendments, modifications, extensions, refinancings, renewals and replacements thereof that do not increase the outstanding principal amount thereof (except by the amount of any accrued interest and premiums with respect to such Indebtedness and transaction fees, costs and expenses in connection with such extension, renewal or replacement thereof);

(e) Liens on fixed or capital assets (including capital leases) acquired (including as a replacement), constructed, repaired, leased or improved by the Borrower or any Restricted Subsidiary; provided that (i) such Liens secure Indebtedness or Capital Lease Obligations permitted by clause (e) of Section 6.01, (ii) such Liens and the Indebtedness secured thereby are incurred prior to or within one hundred eighty (180) days after such acquisition or lease or the completion of such construction, replacement, repair or improvement, (iii) the Indebtedness secured thereby does not exceed 100% of the cost of acquiring, constructing or improving such fixed or capital assets and (iv) such Liens shall not apply to any other property or assets of the Borrower or any Restricted Subsidiary;

(f) Liens granted by a Restricted Subsidiary that is not a Loan Party in favor of the Borrower or another Loan Party in respect of Indebtedness owed by such Restricted Subsidiary to the Borrower or such other Loan Party;

(g) Liens securing Indebtedness permitted hereunder to finance insurance premiums solely to the extent of such premiums;

(h) Liens on any cash earnest money deposits made by the Borrower or any of its Restricted Subsidiaries in connection with any Acquisition permitted by this Agreement, including, without limitation, in connection with any letter of intent or purchase agreement relating thereto;

(i) in connection with the sale or transfer of any assets in a transaction permitted under Section 6.03, customary rights and restrictions contained in agreements relating to such sale or transfer pending the completion thereof;

(j) Liens in the nature of the right of setoff in favor of counterparties to contractual agreements with the Loan Parties (i) in the ordinary course of business or (ii) otherwise permitted hereunder other than in connection with Indebtedness;

(k) to the extent constituting a Lien, Liens with respect to repurchase obligations of the type described in clause (d) of the definition of "Permitted Investments";

(l) Liens in favor of a credit card or debit card processor arising in the ordinary course of business under any processor agreement and relating solely to the amounts paid or payable thereunder, or customary deposits on reserve held by such credit card or debit card processor;

(m) Liens of sellers of goods to any Loan Party and any of their respective Restricted Subsidiaries arising under Article II of the UCC or similar provisions of applicable law in the ordinary course of business, covering only the goods sold and securing only the unpaid purchase price for such goods and related expenses;

(n) Liens on assets of the Borrower and its Restricted Subsidiaries not otherwise permitted above so long as the aggregate outstanding principal amount of the Indebtedness and other obligations subject to such Liens (taken together with the aggregate outstanding principal amount of the Indebtedness and other obligations secured by liens pursuant to Section 6.02(o)) does not at any time exceed $25,000,000;

(o) Liens that secure Indebtedness permitted under Section 6.01(q) so long as the aggregate outstanding principal amount of the Indebtedness and other obligations subject to such Liens (taken together with the aggregate outstanding principal amount of the Indebtedness and other obligations secured by liens pursuant to Section 6.02(n)) does not at any time exceed $25,000,000;

(p) Liens (if any) on Accounts sold (or, in the case of any judicial re-characterization of any such sale, granted as collateral to secure financing) pursuant to any Permitted Supply Chain Financings; and

(q) other Liens on assets of the Borrower and its Restricted Subsidiaries not permitted by the foregoing clauses of this Section 6.02; provided that, at the time of the incurrence or assumption of any such Liens and immediately after giving effect (including giving effect on a pro forma basis) thereto, (x) no Event of Default shall have occurred and be continuing, (y) the Total Net Leverage Ratio shall not exceed 2.50 to 1.00 with Consolidated Total Indebtedness and Liquidity measured as of the time of the incurrence of such Liens and after giving effect to any Indebtedness incurred in connection therewith (and the application of proceeds thereof to the repayment of any other Indebtedness) and Consolidated EBITDA measured for the Test Period then most recently ended and (z) if any such Liens are secured by any or all of the Collateral, the Indebtedness or other obligations secured by such Liens shall be subject to an intercreditor agreement in form and substance reasonably satisfactory to the Administrative Agent.

SECTION 6.03. Fundamental Changes. (a) The Borrower will not, and will not permit any Restricted Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or otherwise Dispose of all or substantially all of its assets, or all or substantially all of the Equity Interests of any of its Restricted Subsidiaries (in each case, whether now owned or hereafter acquired), or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing:

(i) any Person may merge into or consolidate with any Loan Party in a transaction in which a Loan Party is the surviving entity; provided that any such merger or consolidation involving the Borrower must result in the Borrower as the surviving entity;

(ii) any Restricted Subsidiary that is not a Loan Party may merge into or consolidate with any other Subsidiary of the Borrower that is not a Loan Party if the Borrower determines in good faith that such transaction is not materially disadvantageous to the Lenders;

(iii) the Borrower and the Restricted Subsidiaries may make Dispositions permitted by Section 6.04; and

(iv) any Restricted Subsidiary that is not a Loan Party may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders;

provided that any such merger or consolidation involving a Person that is not a Wholly-Owned Restricted Subsidiary immediately prior to such merger or consolidation shall not be permitted unless it is also permitted by Section 6.05.

(b) The Borrower will not, and will not permit any of its Restricted Subsidiaries to, engage to any material extent in any business substantially different from businesses of the type conducted by the Borrower and its Subsidiaries (taken as a whole) on the date of execution of this Agreement and businesses or activities that are reasonably similar, related, incidental, ancillary, complementary or synergistic thereto or reasonable extensions, development or expansion thereof.

(c) The Borrower will not permit its fiscal year to end on a day other than December 31 or change the Borrower's method of determining its fiscal quarters; provided that, notwithstanding the foregoing, the Borrower may change its fiscal year from December 31 to the last Friday of the fiscal year so long as the Borrower notifies the Administrative Agent no less than 30 days prior to such change (or such shorter period as may be acceptable to the Administrative Agent in its sole discretion) and the Administrative Agent approves such change (such approval not to be unreasonably withheld, conditioned or delayed) (it being understood and agreed that the Borrower and the Administrative Agent may (and are hereby authorized to) make any adjustments to this Agreement that are necessary and appropriate to reflect such change in the Borrower's fiscal year).

Notwithstanding the foregoing, nothing in this Section 6.03 shall permit, and nothing in this Section 6.03 shall be deemed to permit, any Material Intellectual Property to be assigned, transferred, or exclusively licensed or exclusively sublicensed to any Unrestricted Subsidiary.

SECTION 6.04. Dispositions. The Borrower will not, and will not permit any Restricted Subsidiary to, make any Disposition, except:

(a) Dispositions of obsolete, worn out or surplus property in the ordinary course of business;

(b) Dispositions of equipment, inventory and Permitted Investments in the ordinary course of business;

(c) 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;

(d) (i) Dispositions of property by any Loan Party to any other Loan Party and (ii) Dispositions of property by any Restricted Subsidiary that is not a Loan Party to any other Restricted Subsidiary;

(e) leases, licenses, subleases or sublicenses (including the provision of open source software under an open source license) granted in the ordinary course of business and on ordinary commercial terms that do not interfere in any material respect with the business of the Borrower and its Subsidiaries;

(f) Dispositions of intellectual property rights that are no longer used or useful in the business of the Borrower and its Restricted Subsidiaries;

(g) the discount, write-off or Disposition of accounts receivable overdue by more than ninety days, in each case in the ordinary course of business;

(h) Restricted Payments permitted by Section 6.08 and investments permitted by Section 6.05;

(i) Dispositions of investments in joint ventures to the extent required by, or made pursuant to customary buy/sell arrangements between, the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(j) Dispositions resulting from any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of any Borrower or any Restricted Subsidiary;

(k) Dispositions of non-core assets acquired in a Permitted Acquisition; provided that such Dispositions shall be consummated within 360 days of such Permitted Acquisition; provided, further, that (i) the consideration received for such assets shall be in an amount at least equal to the fair market value thereof (determined in good faith by the board of directors or a Financial Officer of the Borrower) and (ii) no less than 75% thereof shall be paid in cash;

(l) Dispositions of real property; provided that the aggregate book value of all real property Disposed of pursuant to this clause (l) in any fiscal year of the Borrower shall not exceed $25,000,000; provided, further, that (i) the consideration received for such real property shall be in an amount at least equal to the fair market value thereof (determined in good faith by the board of directors or a Financial Officer of the Borrower) and (ii) no less than 75% thereof shall be paid in cash;

(m) Dispositions pursuant to Permitted Sale and Leaseback Transactions;

(n) Dispositions resulting from sales of Accounts under Permitted Supply Chain Financings; and

(o) Dispositions by the Borrower and its Restricted Subsidiaries not otherwise permitted under this Section; provided that the aggregate book value of all property Disposed of pursuant to this clause (o) in any fiscal year of the Borrower shall not exceed $25,000,000.

Notwithstanding the foregoing, nothing in this Section 6.04 shall permit, and nothing in this Section 6.04 shall be deemed to permit, any Material Intellectual Property to be assigned, transferred, or exclusively licensed or exclusively sublicensed to any Unrestricted Subsidiary.

SECTION 6.05. Investments, Loans, Advances, Guarantees and Acquisitions. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, purchase, hold or acquire (including pursuant to any merger or consolidation with any Person that was not a wholly owned Subsidiary prior to such merger or consolidation) any capital stock, evidences of indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, Guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any Person or any assets of any other Person constituting a business unit, except:

(a) cash and Permitted Investments;

(b) Permitted Acquisitions;

(c) (i) investments by the Borrower and its Restricted Subsidiaries existing on the date hereof in the capital stock of their respective Subsidiaries, and (ii) investments by any Person existing on the date such Person becomes a Restricted Subsidiary or consolidates or merges with the Borrower or any of its Restricted Subsidiaries pursuant to a transaction otherwise permitted hereunder;

(d) investments, loans, advances or capital contributions made by the Borrower in or to any Restricted Subsidiary and made by any Restricted Subsidiary in or to the Borrower or any other Subsidiary (provided that the aggregate amount of investments, loans, advances and capital contributions made by the Loan Parties to Subsidiaries which are not Loan Parties pursuant to this clause (d) shall not exceed, at any time outstanding, the greater of $30,000,000 and 20% of Consolidated EBITDA, measured for the Test Period then most recently ended);

(e) Guarantees permitted by Section 6.01(d), Section 6.01(v) or Section 6.01(w);

(f) investments constituting deposits described in clauses (c), (d) and (j) of the definition of "Permitted Encumbrances";

(g) investments comprised of notes payable, stock or other securities issued by Account Debtors to the Borrower or any of its Subsidiaries pursuant to negotiated agreements with respect to settlement of such Account Debtor's accounts in the ordinary course of business or investments otherwise received in settlement of obligations owed by any financially troubled Account Debtors or other debtors in connection with such Person's reorganization or in bankruptcy, insolvency or similar proceedings or in connection with foreclosure on or transfer of title with respect to any secured investment;

(h) extensions of trade credit or the holding of receivables in the ordinary course of business;

(i) the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interests of the Borrower or any option, warrant or other right to acquire any such Equity Interests in the Borrower, in each case to the extent the payment therefor is permitted under Section 6.08;

(j) loans and advances to officers, directors and employees for moving, payroll, entertainment, travel and other similar expenses in the ordinary course of business not to exceed $3,000,000 in the aggregate at any time outstanding;

(k) endorsements for collection or deposit and prepaid expenses made in the ordinary course of business;

(l) transactions (to the extent constituting investments) or promissory notes and other non-cash consideration received in connection with Dispositions permitted by Section 6.04;

(m) investments constituting the creation of new Subsidiaries so long as the Borrower or such Subsidiary complies with Section 5.09 (to the extent applicable) and any investment in such new Subsidiary is otherwise permitted under this Section 6.05;

(n) Guarantees of leases and other contractual obligations of any Subsidiary (to the extent not constituting Indebtedness) in the ordinary course of business;

(o) investments in the Persons listed in Schedule 6.05 in an aggregate amount not to exceed $15,000,000 during each Fiscal Year, valued at the time each such investment is made;

(p) transfers of rights with respect to one or more products or technologies under development to joint ventures with third parties or to other entities where the Borrower or a Subsidiary retains rights to acquire such joint ventures or other entities or otherwise repurchase such products or technologies;

(q) investments in the form of Swap Agreements permitted by Section 6.06;

(r) investments existing on the date hereof and set forth in Schedule 6.05, and any modification, replacement, renewal or extension thereof to the extent not involving any additional investment;

(s) deposits, prepayments, advances and other credits to suppliers, vendors, customers, lessors and landlords or in connection with marketing promotions, such as sweepstakes, in each instance, made in the ordinary course of business in an amount consistent with past practice;

(t) investments consisting of contingent liability arising from the endorsement of negotiable or other instruments for deposit or collection in the ordinary course of business;

(u) the sale or discount of accounts receivable arising in the ordinary course of business, but only in connection with the compromise or collection thereof and not in connection with any financing transaction;

(v) 794 shares of common stock of Dana Holding Corporation owned by the Borrower;

(w) any other investment, loan or advance (other than acquisitions) so long as the aggregate amount of all such investments, loans and advances does not exceed, at any time outstanding, the greater of $40,000,000 and 25% of Consolidated EBITDA, measured for the Test Period then most recently ended; and

(x) any other investment, loan or advance so long as, at the time of the making of such investment, loan or advance and immediately after giving effect (including giving effect on a pro forma basis) thereto, (x) no Event of Default shall have occurred and be continuing and (y) the Total Net Leverage Ratio shall not exceed 3.50 to 1.00 with Consolidated Total Indebtedness and Liquidity measured as of the time of the making of such investment, loan or advance and after giving effect to any Indebtedness incurred in connection therewith (and the application of proceeds thereof to the repayment of any other Indebtedness) and Consolidated EBITDA measured for the Test Period then most recently ended.

For purposes of determining compliance with this Section 6.05, the amount of any investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such investment, less any amount paid, repaid, returned, distributed or otherwise received in cash or cash equivalents in respect of such investment.

SECTION 6.06. Swap Agreements. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks to which the Borrower or any Restricted Subsidiary has actual exposure (other than those in respect of Equity Interests of the Borrower or any of its Restricted Subsidiaries), and (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Borrower or any Restricted Subsidiary.

SECTION 6.07. Transactions with Affiliates. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except: (a) in the ordinary course of business at prices and on terms and conditions not less favorable to the Borrower or such Restricted Subsidiary in any material respect than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions between or among the Borrower and its Restricted Subsidiaries not involving any other Affiliate, (c) the payment of customary fees to directors of the Borrower or any of its Restricted Subsidiaries, and customary compensation, reasonable out-of-pocket expense reimbursement and indemnification (including the provision of directors and officers insurance) of, and other employment agreements and arrangements, employee benefit plans and stock incentive plans paid to, future, present or past directors, officers, managers and employees of the Borrower or any of its Restricted Subsidiaries, (d) transactions undertaken in good faith for the purpose of improving the consolidated tax efficiency of the Borrower and its Restricted Subsidiaries, (e) issuances of Equity Interests to Affiliates and the registration rights associated therewith, (f) transactions with joint ventures for the purchase or sale of property or other assets and services entered into in the ordinary course of business, (g) any transactions or series of related transactions with respect to which the aggregate consideration paid, or fair market value of property sold or disposed of, by the Borrower and its Restricted Subsidiaries is less than $5,000,000, and (h) loans, advances and other transactions to the extent permitted by the terms of this Agreement, including without limitation any Restricted Payment permitted by Section 6.08 and transactions permitted by Section 6.03 or Section 6.05.

SECTION 6.08. Restricted Payments. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except (a) the Borrower may declare and pay dividends or make other Restricted Payments with respect to its Equity Interests payable solely in additional Equity Interests, (b) Restricted Subsidiaries may declare and pay dividends, including in connection with any stock split ratably with respect to their Equity Interests, (c) the Borrower may make Restricted Payments pursuant to and in accordance with stock option plans or other benefit plans for management or employees of the Borrower and its Restricted Subsidiaries; (d) the Borrower and its Restricted Subsidiaries may make any other Restricted Payment so long as no Default or Event of Default has occurred and is continuing prior to making such Restricted Payment or would arise after giving effect (including giving effect on a pro forma basis) thereto and the aggregate amount of all such Restricted Payments during any fiscal year of the Borrower does not exceed $70,000,000; and (e) the Borrower and its Restricted Subsidiaries may make any other Restricted Payment so long as, at the time of the making of such Restricted Payment and immediately after giving effect (including giving effect on a pro forma basis) thereto, (x) no Event of Default shall have occurred and be continuing and (y) the Total Net Leverage Ratio shall not exceed 3.00 to 1.00 with Consolidated Total Indebtedness and Liquidity measured as of the time of the making of such Restricted Payment and after giving effect to any Indebtedness incurred in connection therewith (and the application of proceeds thereof to the repayment of any other Indebtedness) and Consolidated EBITDA measured for the Test Period then most recently ended.

SECTION 6.09. Restrictive Agreements. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of the Borrower or any Restricted Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets to secure the Secured Obligations (to the extent required by the Loan Documents), or (b) the ability of any Restricted Subsidiary to pay dividends or other distributions with respect to holders of its Equity Interests or to make or repay loans or advances to the Borrower or any other Restricted Subsidiary or (to the extent required by the Loan Documents) to Guarantee the Secured Obligations; provided that (i) the foregoing shall not apply to restrictions and conditions imposed by law or by any Loan Document, (ii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Restricted Subsidiary pending such sale; provided that such restrictions and conditions apply only to the Restricted Subsidiary that is to be sold and such sale is permitted hereunder, (iii) clause (a) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness, (iv) clause (a) of the foregoing shall not apply to customary provisions in leases and other contracts restricting the assignment thereof, (v) the foregoing shall not apply to restrictions and conditions imposed on any Restricted Subsidiary or asset by any agreements in existence at the time such Restricted Subsidiary became a Restricted Subsidiary or such asset was acquired and any amendment, modification, refinancing, replacement, renewal or extension thereof that does not materially expand the scope of any such restriction or condition taken as a whole; provided that such restrictions and condition, (vi) the foregoing shall not apply to customary restrictions on cash or other deposits (including escrowed funds) or net worth imposed under contracts; provided that such restrictions and conditions apply only to such Restricted Subsidiary and to any Equity Interests in such Restricted Subsidiary, (vii) the foregoing shall not apply to customary restrictions and conditions with respect to joint ventures and (viii) clause (a) of the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to a Permitted Supply Chain Financing, solely in respect of the Permitted Supply Chain Financing Receivables related thereto.

SECTION 6.10. Subordinated Indebtedness and Amendments to Subordinated Indebtedness Documents. The Borrower will not, and will not permit any Restricted Subsidiary to, directly or indirectly voluntarily prepay, defease or in substance defease, purchase, redeem, retire or otherwise acquire, any Subordinated Indebtedness or any Indebtedness from time to time outstanding under the Subordinated Indebtedness Documents. Furthermore, the Borrower will not, and will not permit any Subsidiary to, amend the Subordinated Indebtedness Documents or any document, agreement or instrument evidencing any Indebtedness incurred pursuant to the Subordinated Indebtedness Documents (or any replacements, substitutions, extensions or renewals thereof) or pursuant to which such Indebtedness is issued where such amendment, modification or supplement provides for the following or which has any of the following effects:

(a) increases the overall principal amount of any such Indebtedness (except through payments in-kind) or increases the amount of any single scheduled installment of principal or interest;

(b) shortens or accelerates the date upon which any installment of principal or interest becomes due or adds any additional mandatory redemption provisions;

(c) shortens the final maturity date of such Indebtedness or otherwise accelerates the amortization schedule with respect to such Indebtedness; or

(d) increases the rate of interest accruing on such Indebtedness.

SECTION 6.11. Sale and Leaseback Transactions. The Borrower will not, nor will it permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction other than Permitted Sale Leasebacks.

SECTION 6.12. [Reserved].

SECTION 6.13. Financial Covenants.

(a) Maximum Total Net Leverage Ratio. The Borrower will not permit the Total Net Leverage Ratio, determined as of the end of each of its fiscal quarters ending on and after June 30, 2022, to be greater than 3.50 to 1.00. Notwithstanding the foregoing, the Borrower shall be permitted, but in no event on more than four (4) occasions during the term of this Agreement, to allow the maximum Total Net Leverage Ratio permitted under this Section 6.13(a) to be increased to 4.00 to 1.00 for a period of four consecutive fiscal quarters (such period, an "Adjusted Covenant Period") in connection with a Qualifying Material Acquisition occurring during the first of such four fiscal quarters (and in respect of which the Borrower shall provide notice in writing to the Administrative Agent (for distribution to the Lenders) of such increase and a transaction description of such Qualifying Material Acquisition (including the name of the person or summary description of the assets being acquired and the approximate purchase price)), so long as the Borrower is in compliance on a pro forma basis with the maximum Total Net Leverage Ratio of 4.00 to 1.00 on the closing date of such Qualifying Material Acquisition immediately after giving effect (including giving effect on a pro forma basis) to such Qualifying Material Acquisition; provided that it is understood and agreed that the maximum Total Net Leverage Ratio permitted under the Credit Documentation shall revert to 3.50 to 1.00 as of the end of such Adjusted Covenant Period and thereafter until another Adjusted Covenant Period (if any) is elected pursuant to the terms and conditions described above.

(b) Minimum Interest Coverage Ratio. The Borrower will not permit the ratio (the "Interest Coverage Ratio"), determined as of the end of each of its fiscal quarters ending on and after June 30, 2022, of (i) Consolidated EBITDA to (ii) Consolidated Interest Expense, in each case for the period of four (4) consecutive fiscal quarters ending with the end of such fiscal quarter, all calculated for the Borrower and its Restricted Subsidiaries on a consolidated basis, to be less than 3.00 to 1.00.

ARTICLE VII

Events of Default

SECTION 7.01. Events of Default. If any of the following events ("Events of Default") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable and in the Agreed Currency required hereunder, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in Section 7.01(a)) payable under this Agreement or any other Loan Document, when and as the same shall become due and payable and in the Agreed Currency required hereunder, and such failure shall continue unremedied for a period of five (5) Business Days;

(c) any representation or warranty made or deemed made by or on behalf of the Borrower or any Restricted Subsidiary in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, shall prove to have been incorrect in any material respect on the date when made or deemed made;

(d) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02(a), 5.03 (with respect to the Borrower's existence), 5.08, 5.09, 5.11, in Article VI or in Article X;

(e) the Borrower or any Subsidiary Guarantor, as applicable, shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in Section 7.01(a), (b) or (d)) or any other Loan Document, and such failure shall continue unremedied for a period of thirty (30) days after notice thereof from the Administrative Agent to the Borrower (which notice will be given at the request of any Lender);

(f) the Borrower or any Restricted Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable, which is not cured within any applicable grace period provided for in the applicable agreement or instrument under which such Material Indebtedness was created;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) shall not apply to the following events unless such event results in the acceleration of Material Indebtedness (i) secured Indebtedness that becomes due as a result of the sale, transfer or other disposition (including as a result of a casualty or condemnation event) of the property or assets securing such Indebtedness (to the extent such sale, transfer or other disposition is not prohibited under this Agreement), (ii) any Material Indebtedness that becomes due as a result of a refinancing thereof permitted by Section 6.01, (iii) any reimbursement obligation in respect of a letter of credit, bankers acceptance or similar obligation as a result of a drawing thereunder by a beneficiary thereunder in accordance with its terms and (iv) any such Material Indebtedness that is mandatorily prepayable prior to the scheduled maturity thereof with the proceeds of the issuance of capital stock, the incurrence of other Indebtedness or the sale or other disposition of any assets, so long as such Material Indebtedness that has become due is so prepaid in full with such net proceeds required to be used to prepay such Material Indebtedness when due (or within any applicable grace period) and such event shall not have otherwise resulted in an event of default with respect to such Material Indebtedness;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Material Subsidiary or its debts, or of a substantial part of its assets, under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Material Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower or any Material Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in Section 7.01(h), (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Material Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceedings, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) the Borrower or any Material Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of $20,000,000 (to the extent not paid, fully bonded or covered by a solvent and unaffiliated insurer that has not denied coverage) shall be rendered against the Borrower, any Restricted Subsidiary or any combination thereof and the same shall remain undischarged, unvacated or undismissed for a period of sixty (60) consecutive days during which execution shall not be effectively stayed (by reason of pending appeal or otherwise), or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any such Restricted Subsidiary to enforce any such judgment and such action shall not have been stayed;

(l) an ERISA Event shall have occurred that, in the opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(m) a Change in Control shall occur;

(n) [reserved];

(o) 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 Secured Obligations, ceases to be in full force and effect; or a Loan Party or any other Person contests in writing the validity or enforceability of any provision of any Loan Document; or a Loan Party denies in writing that it has any or further liability or obligation under any Loan Document, or purports in writing to revoke, terminate or rescind any Loan Document; or

(p) any Collateral Document shall for any reason fail to create a valid and perfected first priority security interest in any material portion of the Collateral purported to be covered thereby, except as permitted by the terms of any Loan Document.

SECTION 7.02. Remedies Upon an Event of Default. If an Event of Default occurs (other than an event with respect to the Borrower described in Section 7.01(h) or 7.01(i)), and at any time thereafter during the continuance of such Event of Default, the Administrative Agent may with the consent of the Required Lenders, and shall at the request of the Required Lenders, by notice to the Borrower, take any or all of the following actions, at the same or different times:

(a) terminate the Commitments, and thereupon the Commitments shall terminate immediately;

(b) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other Secured Obligations accrued hereunder and under any other Loan Document, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower and the other Loan Parties;

(c) require that the Borrower provide cash collateral as required in Section 2.06(j); and

(d) exercise on behalf of itself, the Lenders and the Issuing Bank all rights and remedies available to it, the Lenders and the Issuing Bank under the Loan Documents and applicable law.

If an Event of Default described in Section 7.01(h) or 7.01(i) occurs with respect to the Borrower, the Commitments shall automatically terminate and the principal of the Loans then outstanding and cash collateral for the LC Exposure, together with accrued interest thereon and all fees and other Secured Obligations accrued hereunder and under any other Loan Document, shall automatically become due and payable, and the obligation of the Borrower to cash collateralize the LC Exposure as provided in clause (c) above shall automatically become effective, in each case, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

In addition to any other rights and remedies granted to the Administrative Agent and the Lenders in the Loan Documents, the Administrative Agent on behalf of the Lenders may exercise all rights and remedies of a secured party under the UCC or any other applicable law. Without limiting the generality of the foregoing, the Administrative Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Loan Party or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived by the Borrower on behalf of itself and its Restricted Subsidiaries), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, or consent to the use by any Loan Party of any cash collateral arising in respect of the Collateral on such terms as the Administrative Agent deems reasonable, and/or may forthwith sell, lease, assign give an option or options to purchase or otherwise dispose of and deliver, or acquire by credit bid on behalf of the Secured Parties, the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Administrative Agent or any Lender or elsewhere, upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery, all without assumption of any credit risk. The Administrative Agent or any Lender shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Loan Party, which right or equity is hereby waived and released by the Borrower on behalf of itself and its Restricted Subsidiaries. The Borrower further agrees on behalf of itself and its Restricted Subsidiaries, at the Administrative Agent's request, to assemble the Collateral and make it available to the Administrative Agent at places which the Administrative Agent shall reasonably select, whether at the premises of the Borrower, another Loan Party or elsewhere. The Administrative Agent shall apply the net proceeds of any action taken by it pursuant to this Article VII, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any other way relating to the Collateral or the rights of the Administrative Agent and the Lenders hereunder, including reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Secured Obligations, in such order as the Administrative Agent may elect, and only after such application and after the payment by the Administrative Agent of any other amount required by any provision of law, including Section 9-615(a)(3) of the New York UCC, need the Administrative Agent account for the surplus, if any, to any Loan Party. To the extent permitted by applicable law, the Borrower on behalf of itself and its Restricted Subsidiaries waives all Liabilities it may acquire against the Administrative Agent or any Lender arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

SECTION 7.03. Application of Payments. Notwithstanding anything herein to the contrary, following the occurrence and during the continuance of an Event of Default, and notice thereof to the Administrative Agent by the Borrower or the Required Lenders:

(a) all payments received on account of the Secured Obligations shall, subject to Section 2.22, be applied by the Administrative Agent as follows:

(i) first, to payment of that portion of the Secured Obligations constituting fees, indemnities, expenses and other amounts payable to the Administrative Agent (including fees and disbursements and other charges of counsel to the Administrative Agent payable under Section 9.03 and amounts pursuant to Section 2.12(c) payable to the Administrative Agent in its capacity as such);

(ii) second, to payment of that portion of the Secured Obligations constituting fees, expenses, indemnities and other amounts (other than principal, reimbursement obligations in respect of LC Disbursements, interest and Letter of Credit fees) payable to the Lenders, the Issuing Bank and the other Secured Parties (including fees and disbursements and other charges of counsel to the Lenders and the Issuing Bank payable under Section 9.03) arising under the Loan Documents, ratably among them in proportion to the respective amounts described in this clause (ii) payable to them;

(iii) third, to payment of that portion of the Secured Obligations constituting accrued and unpaid Letter of Credit fees and charges and interest on the Loans and unreimbursed LC Disbursements, ratably among the Lenders and the Issuing Bank in proportion to the respective amounts described in this clause (iii) payable to them;

(iv) fourth, (A) to payment of that portion of the Secured Obligations constituting unpaid principal of the Loans and unreimbursed LC Disbursements, (B) to cash collateralize that portion of LC Exposure comprising the undrawn amount of Letters of Credit to the extent not otherwise cash collateralized by the Borrower pursuant to Section 2.06 or 2.22; provided that (x) any such amounts applied pursuant to subclause (B) above shall be paid to the Administrative Agent for the account of the Issuing Bank to cash collateralize Secured Obligations in respect of Letters of Credit, (y) subject to Section 2.06 or 2.22, amounts used to cash collateralize the aggregate amount of Letters of Credit pursuant to this clause (iv) shall be used to satisfy drawings under such Letters of Credit as they occur and (z) upon the expiration of any Letter of Credit (without any pending drawings), the pro rata share of cash collateral shall be distributed to the other Secured Obligations, if any, in the order set forth in this Section 7.03 and (C) to any other amounts owing with respect to Banking Services Obligations and Swap Obligations, in each case, ratably among the Lenders and the Issuing Bank and any other applicable Secured Parties in proportion to the respective amounts described in this clause (iv) payable to them;

(v) fifth, to the payment in full of all other Secured Obligations, in each case ratably among the Administrative Agent, the Lenders, the Issuing Bank and the other Secured Parties based upon the respective aggregate amounts of all such Secured Obligations owing to them in accordance with the respective amounts thereof then due and payable; and

(vi) finally, the balance, if any, after all Secured Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by law; and

(b) if any amount remains on deposit as cash collateral after all Letters of Credit have either been fully drawn or expired (without any pending drawings), such remaining amount shall be applied to the other Secured Obligations, if any, in the order set forth above.

ARTICLE VIII

The Administrative Agent

SECTION 8.01. Authorization and Action.

(a) Each Lender and the Issuing Bank hereby irrevocably appoints the entity named as Administrative Agent in the heading of this Agreement and its successors and assigns to serve as the administrative agent and collateral agent under the Loan Documents and each Lender and the Issuing Bank authorizes the Administrative Agent to take such actions as agent on its behalf and to exercise such powers under this Agreement and the other Loan Documents as are delegated to the Administrative Agent under such agreements and to exercise such powers as are reasonably incidental thereto. Further, each of the Lenders and the Issuing Bank, on behalf of itself and any of its Affiliates that are Secured Parties, hereby irrevocably empower and authorize JPMorgan Chase Bank, N.A. (in its capacity as Administrative Agent) to execute and deliver the Collateral Documents and all related documents or instruments as shall be necessary or appropriate to effect the purposes of the Collateral Documents. Each of the Lenders further authorizes the Administrative Agent to enter into one or more agreements acceptable to the Administrative Agent in its sole discretion with parties to any Permitted Supply Chain Financing, which agreements may provide for, among other things, disclaimers of interests on, and releases of security interests in, any Permitted Supply Chain Financing Receivables. In addition, to the extent required under the laws of any jurisdiction other than within the United States, each Lender and the Issuing Bank hereby grants to the Administrative Agent any required powers of attorney to execute and enforce any Collateral Document governed by the laws of such jurisdiction on such Lender's or the Issuing Bank's behalf. Without limiting the foregoing, each Lender and the Issuing Bank hereby authorizes the Administrative Agent to execute and deliver, and to perform its obligations under, each of the Loan Documents to which the Administrative Agent is a party, and to exercise all rights, powers and remedies that the Administrative Agent may have under such Loan Documents.

(b) As to any matters not expressly provided for herein and in the other Loan Documents (including enforcement or collection), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the written instructions of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, pursuant to the terms in the Loan Documents), and, unless and until revoked in writing, such instructions shall be binding upon each Lender and the Issuing Bank; provided, however, that the Administrative Agent shall not be required to take any action that (i) the Administrative Agent in good faith believes exposes it to liability unless the Administrative Agent receives an indemnification and is exculpated in a manner satisfactory to it from the Lenders and the Issuing Bank with respect to such action or (ii) is contrary to this Agreement or any other Loan Document or applicable law, including any action that may be in violation of the automatic stay under any requirement of law relating to bankruptcy, insolvency or reorganization or relief of debtors or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any requirement of law relating to bankruptcy, insolvency or reorganization or relief of debtors; provided, further, that the Administrative Agent may seek clarification or direction from the Required Lenders prior to the exercise of any such instructed action and may refrain from acting until such clarification or direction has been provided. Except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower, any Subsidiary or any Affiliate of any of the foregoing that is communicated to or obtained by the Person serving as Administrative Agent or any of its Affiliates in any capacity. Nothing in this Agreement shall require the Administrative Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(c) In performing its functions and duties hereunder and under the other Loan Documents, the Administrative Agent is acting solely on behalf of the Lenders and the Issuing Bank (except in limited circumstances expressly provided for herein relating to the maintenance of the Register), and its duties are entirely mechanical and administrative in nature. Without limiting the generality of the foregoing:

(i) the Administrative Agent does not assume and shall not be deemed to have assumed any obligation or duty or any other relationship as the agent, fiduciary or trustee of or for any Lender, the Issuing Bank or any other Secured Party other than as expressly set forth herein and in the other Loan Documents, regardless of whether a Default or an Event of Default has occurred and is continuing (and it is understood and agreed that the use of the term "agent" (or any similar term) herein or in any other Loan Document with reference to the Administrative Agent is not intended to connote any fiduciary duty or other implied (or express) obligations arising under agency doctrine of any applicable law, and that such term is used as a matter of market custom and is intended to create or reflect only an administrative relationship between contracting parties); additionally, each Lender agrees that it will not assert any claim against the Administrative Agent based on an alleged breach of fiduciary duty by the Administrative Agent in connection with this Agreement and/or the transactions contemplated hereby;

(ii) where the Administrative Agent is required or deemed to act as a trustee in respect of any Collateral over which a security interest has been created pursuant to a Loan Document expressed to be governed by the laws of any jurisdiction other than the United States of America, or is required or deemed to hold any Collateral "on trust" pursuant to the foregoing, the obligations and liabilities of the Administrative Agent to the Secured Parties in its capacity as trustee shall be excluded to the fullest extent permitted by applicable law; and

(iii) nothing in this Agreement or any Loan Document shall require the Administrative Agent to account to any Lender for any sum or the profit element of any sum received by the Administrative Agent for its own account.

(d) The Administrative Agent may perform any 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 of their respective duties and exercise their respective rights and powers 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 pursuant to this Agreement. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agent 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-agent.

(e) None of any Co-Syndication Agent or any Arranger shall have obligations or duties whatsoever in such capacity under this Agreement or any other Loan Document and shall incur no liability hereunder or thereunder in such capacity, but all such persons shall have the benefit of the indemnities provided for hereunder.

(f) In case of the pendency of any proceeding with respect to any Loan Party under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, the Administrative Agent (irrespective of whether the principal of any Loan or any reimbursement obligation in respect of any LC Disbursement 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 any Loan Party) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, LC Disbursements 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 Issuing Bank and the Administrative Agent (including any claim under Sections 2.12, 2.13, 2.15, 2.17 and 9.03) allowed in such judicial proceeding; and

(ii) 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 proceeding is hereby authorized by each Lender, the Issuing Bank and each other Secured Party 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, the Issuing Bank or the other Secured Parties, to pay to the Administrative Agent any amount due to it, in its capacity as the Administrative Agent, under the Loan Documents (including under Section 9.03). Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or the Issuing Bank any plan of reorganization, arrangement, adjustment or composition affecting the Secured Obligations or the rights of any Lender or the Issuing Bank or to authorize the Administrative Agent to vote in respect of the claim of any Lender or the Issuing Bank in any such proceeding.

(g) The provisions of this Article VIII are solely for the benefit of the Administrative Agent, the Lenders and the Issuing Bank, and, except solely to the extent of the Borrower's rights to consent pursuant to and subject to the conditions set forth in this Article VIII, none of the Borrower or any Subsidiary, or any of their respective Affiliates, shall have any rights as a third party beneficiary under any such provisions. Each Secured Party, whether or not a party hereto, will be deemed, by its acceptance of the benefits of the Collateral and of the Guarantees of the Secured Obligations provided under the Loan Documents, to have agreed to the provisions of this Article VIII.

SECTION 8.02. Administrative Agent's Reliance, Limitation of Liability, Etc.

(a) Neither the Administrative Agent nor any of its Related Parties shall be (i) liable for any action taken or omitted to be taken by such party, the Administrative Agent or any of its Related Parties under or in connection with this Agreement or the other Loan Documents (x) with the consent of 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 to be necessary, under the circumstances as provided in the Loan Documents) or (y) in the absence of its own gross negligence or willful misconduct (such absence to be presumed unless otherwise determined by a court of competent jurisdiction by a final and non-appealable judgment) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document (including, for the avoidance of doubt, in connection with the Administrative Agent's reliance on any Electronic Signature transmitted by telecopy, emailed pdf, or any other electronic means that reproduces an image of an actual executed signature page) or for any failure of any Loan Party to perform its obligations hereunder or thereunder.

(b) The Administrative Agent shall be deemed not to have knowledge of any (i) notice of any of the events or circumstances set forth or described in Section 5.02 unless and until written notice thereof stating that it is a "notice under Section 5.02" in respect of this Agreement and identifying the specific clause under said Section is given to the Administrative Agent by the Borrower or (ii) notice of any Default or Event of Default unless and until written notice thereof (stating that it is a "notice of Default" or a "notice of an Event of Default") is given to the Administrative Agent by the Borrower, a Lender or the Issuing Bank. Further, the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document or the occurrence of any Default or Event of Default, (iv) the sufficiency, validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items (which on their face purport to be such items) expressly required to be delivered to the Administrative Agent or satisfaction of any condition that expressly refers to the matters described therein being acceptable or satisfactory to the Administrative Agent or (vi) the creation, perfection or priority of Liens on the Collateral or the existence of the Collateral. Notwithstanding anything herein to the contrary, the Administrative Agent shall not be liable for, or be responsible for any Liabilities, costs or expenses suffered by the Borrower, any Subsidiary, any Lender or the Issuing Bank as a result of, any determination of the Revolving Credit Exposure, any of the component amounts thereof or any portion thereof attributable to each Lender or the Issuing Bank or any Dollar Amount thereof.

(c) Without limiting the foregoing, the Administrative Agent (i) may treat the payee of any promissory note as its holder until such promissory note has been assigned in accordance with Section 9.04, (ii) may rely on the Register to the extent set forth in Section 9.04(b), (iii) may consult with legal counsel (including counsel to the Borrower), independent public accountants and other experts selected by it, and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts, (iv) makes no warranty or representation to any Lender or the Issuing Bank and shall not be responsible to any Lender or the Issuing Bank for any statements, warranties or representations made by or on behalf of any Loan Party in connection with this Agreement or any other Loan Document, (v) in determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the Issuing Bank, may presume that such condition is satisfactory to such Lender or the Issuing Bank unless the Administrative Agent shall have received notice to the contrary from such Lender or the Issuing Bank sufficiently in advance of the making of such Loan or the issuance of such Letter of Credit and (vi) shall be entitled to rely on, and shall incur no liability under or in respect of this Agreement or any other Loan Document by acting upon, any notice, consent, certificate or other instrument or writing (which writing may be a fax, any electronic message, Internet or intranet website posting or other distribution) or any statement made to it orally or by telephone and believed by it to be genuine and signed or sent or otherwise authenticated by the proper party or parties (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the maker thereof).

SECTION 8.03. Posting of Communications.

(a) The Borrower agrees that the Administrative Agent may, but shall not be obligated to, make any Communications available to the Lenders and the Issuing Bank by posting the Communications on IntraLinks™, DebtDomain, SyndTrak, ClearPar or any other electronic platform chosen by the Administrative Agent to be its electronic transmission system (the "Approved Electronic Platform").

(b) Although the Approved Electronic Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Effective Date, a user ID/password authorization system) and the Approved Electronic Platform is secured through a per-deal authorization method whereby each user may access the Approved Electronic Platform only on a deal-by-deal basis, each of the Lenders, the Issuing Bank and the Borrower acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure, that the Administrative Agent is not responsible for approving or vetting the representatives or contacts of any Lender that are added to the Approved Electronic Platform, and that there may be confidentiality and other risks associated with such distribution. Each of the Lenders, the Issuing Bank and the Borrower hereby approves distribution of the Communications through the Approved Electronic Platform and understands and assumes the risks of such distribution.

(c) THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS ARE PROVIDED "AS IS" AND "AS AVAILABLE". THE APPLICABLE PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE APPROVED ELECTRONIC PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS. 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 THE APPLICABLE PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT, ANY ARRANGER, ANY SYNDICATION AGENT OR ANY OF THEIR RESPECTIVE RELATED PARTIES (COLLECTIVELY, "APPLICABLE PARTIES") HAVE ANY LIABILITY TO ANY LOAN PARTY, ANY LENDER, THE ISSUING BANK OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF ANY LOAN PARTY'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET OR THE APPROVED ELECTRONIC PLATFORM.

(d) Each Lender and the Issuing Bank agrees that notice to it (as provided in the next sentence) specifying that Communications have been posted to the Approved Electronic Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender and the Issuing Bank agrees (i) to notify the Administrative Agent in writing (which could be in the form of electronic communication) from time to time of such Lender's or the Issuing Bank's (as applicable) email address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such email address.

(e) Each of the Lenders, the Issuing Bank and the Borrower agrees that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Communications on the Approved Electronic Platform in accordance with the Administrative Agent's generally applicable document retention procedures and policies.

(f) Nothing herein shall prejudice the right of the Administrative Agent, any Lender or the Issuing Bank to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

SECTION 8.04. The Administrative Agent Individually. With respect to its Commitments, Loans (including Swingline Loans) and Letters of Credit, the Person serving as the Administrative Agent shall have and may exercise the same rights and powers hereunder and is subject to the same obligations and liabilities as and to the extent set forth herein for any other Lender or Issuing Bank, as the case may be. The terms "Issuing Bank", "Lenders", "Required Lenders" and any similar terms shall, unless the context clearly otherwise indicates, include the Administrative Agent in its individual capacity as a Lender, the Issuing Bank or as one of the Required Lenders, as applicable. The Person serving as the Administrative Agent 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 or other business with, the Borrower, any Subsidiary or any Affiliate of any of the foregoing as if such Person was not acting as the Administrative Agent and without any duty to account therefor to the Lenders or the Issuing Bank.

SECTION 8.05. Successor Administrative Agent.

(a) The Administrative Agent may resign at any time by giving 30 days' prior written notice thereof to the Lenders, the Issuing Bank and the Borrower, whether or not a successor Administrative Agent has been appointed. Upon any such resignation, the Required Lenders shall have the right to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Bank, appoint a successor Administrative Agent, which shall be a bank with an office in New York, New York or an Affiliate of any such bank. In either case, such appointment shall be subject to the prior written approval of the Borrower (which approval may not be unreasonably withheld and shall not be required while an Event of Default has occurred and is continuing). Upon the acceptance of any appointment as Administrative Agent by a successor Administrative Agent, such successor Administrative Agent shall succeed to, and become vested with, all the rights, powers, privileges and duties of the retiring Administrative Agent. Upon the acceptance of appointment as Administrative Agent by a successor Administrative Agent, the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement and the other Loan Documents. Prior to any retiring Administrative Agent's resignation hereunder as Administrative Agent, the retiring Administrative Agent shall take such action as may be reasonably necessary to assign to the successor Administrative Agent its rights as Administrative Agent under the Loan Documents.

(b) Notwithstanding paragraph (a) of this Section, in the event no successor Administrative Agent shall have been so appointed and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its intent to resign, the retiring Administrative Agent may give notice of the effectiveness of its resignation to the Lenders, the Issuing Bank and the Borrower, whereupon, on the date of effectiveness of such resignation stated in such notice, (i) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents; provided that, solely for purposes of maintaining any security interest granted to the Administrative Agent under any Collateral Document for the benefit of the Secured Parties, the retiring Administrative Agent shall continue to be vested with such security interest as collateral agent for the benefit of the Secured Parties, and continue to be entitled to the rights set forth in such Collateral Document and Loan Document, and, in the case of any Collateral in the possession of the Administrative Agent, shall continue to hold such Collateral, in each case until such time as a successor Administrative Agent is appointed and accepts such appointment in accordance with this Section (it being understood and agreed that the retiring Administrative Agent shall have no duty or obligation to take any further action under any Collateral Document, including any action required to maintain the perfection of any such security interest) and (ii) the Required Lenders shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent; provided that (A) all payments required to be made hereunder or under any other Loan Document to the Administrative Agent for the account of any Person other than the Administrative Agent shall be made directly to such Person and (B) all notices and other communications required or contemplated to be given or made to the Administrative Agent shall directly be given or made to each Lender and the Issuing Bank. Following the effectiveness of the Administrative Agent's resignation from its capacity as such, the provisions of this Article VIII and Section 9.03, as well as any exculpatory, reimbursement and indemnification provisions set forth in any other Loan Document, shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent and in respect of the matters referred to in the proviso under clause (i) above.

SECTION 8.06. Acknowledgements of Lenders and Issuing Bank.

(a) Each Lender and the Issuing Bank represents and warrants that (i) the Loan Documents set forth the terms of a commercial lending facility, (ii) it is engaged in making, acquiring or holding commercial loans and in providing other facilities set forth herein as may be applicable to such Lender or the Issuing Bank, in each case in the ordinary course of business, and not for the purpose of purchasing, acquiring or holding any other type of financial instrument (and each Lender and the Issuing Bank agrees not to assert a claim in contravention of the foregoing), (iii) it has, independently and without reliance upon the Administrative Agent, any Arranger, any Co-Syndication Agent or any other Lender or the Issuing Bank, or any of the Related Parties of any of the foregoing, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement as a Lender, and to make, acquire or hold Loans hereunder and (iv) it is sophisticated with respect to decisions to make, acquire and/or hold commercial loans and to provide other facilities set forth herein, as may be applicable to such Lender or the Issuing Bank, and either it, or the Person exercising discretion in making its decision to make, acquire and/or hold such commercial loans or to provide such other facilities, is experienced in making, acquiring or holding such commercial loans or providing such other facilities. Each Lender and the Issuing Bank also acknowledges that it will, independently and without reliance upon the Administrative Agent, any Arranger, any Co-Syndication Agent or any other Lender or the Issuing Bank, or any of the Related Parties of any of the foregoing, and based on such documents and information (which may contain material, non-public information within the meaning of the United States securities laws concerning the Borrower and its Affiliates) 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.

(b) Each Lender, by delivering its signature page to this Agreement on the Effective Date, or delivering its signature page to an Assignment and Assumption or any other Loan Document pursuant to which it shall become a Lender hereunder, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document required to be delivered to, or be approved by or satisfactory to, the Administrative Agent or the Lenders on the Effective Date.

(c)

(i) Each Lender hereby agrees that (x) if the Administrative Agent notifies such Lender that the Administrative Agent has determined in its sole discretion that any funds received by such Lender from the Administrative Agent or any of its Affiliates (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise; individually and collectively, a "Payment") were erroneously transmitted to such Lender (whether or not known to such Lender), and demands the return of such Payment (or a portion thereof), such Lender shall promptly, but in no event later than one (1) Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect, and (y) to the extent permitted by applicable law, such Lender shall not assert, and hereby waives, as to the Administrative Agent, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Payments received, including without limitation any defense based on "discharge for value" or any similar doctrine. A notice of the Administrative Agent to any Lender under this Section 8.06(c) shall be conclusive, absent manifest error.

(ii) Each Lender hereby further agrees that if it receives a Payment from the Administrative Agent or any of its Affiliates (x) that is in a different amount than, or on a different date from, that specified in a notice of payment sent by the Administrative Agent (or any of its Affiliates) with respect to such Payment (a "Payment Notice") or (y) that was not preceded or accompanied by a Payment Notice, it shall be on notice, in each such case, that an error has been made with respect to such Payment. Each Lender agrees that, in each such case, or if it otherwise becomes aware a Payment (or portion thereof) may have been sent in error, such Lender shall promptly notify the Administrative Agent of such occurrence and, upon demand from the Administrative Agent, it shall promptly, but in no event later than one (1) Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(iii) The Borrower and each other Loan Party hereby agrees that (x) in the event an erroneous Payment (or portion thereof) are not recovered from any Lender that has received such Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights of such Lender with respect to such amount and (y) an erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations (or any other Secured Obligations) owed by the Borrower or any other Loan Party.

(iv) Each party's obligations under this Section 8.06(c) shall survive the resignation or replacement of the Administrative Agent or any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations under any Loan Document.

SECTION 8.07. Collateral Matters.

(a) Except with respect to the exercise of setoff rights in accordance with Section 9.08 or with respect to a Secured Party's right to file a proof of claim in an insolvency proceeding, no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce any Guarantee of the Secured Obligations, it being understood and agreed that all powers, rights and remedies under the Loan Documents may be exercised solely by the Administrative Agent on behalf of the Secured Parties in accordance with the terms thereof. In its capacity, the Administrative Agent is a "representative" of the Secured Parties within the meaning of the term "secured party" as defined in the UCC. In the event that any Collateral is hereafter pledged by any Person as collateral security for the Secured Obligations, the Administrative Agent is hereby authorized, and hereby granted a power of attorney, to execute and deliver on behalf of the Secured Parties any Loan Documents necessary or appropriate to grant and perfect a Lien on such Collateral in favor of the Administrative Agent on behalf of the Secured Parties. The Lenders hereby authorize the Administrative Agent, at its option and in its discretion, to release any Lien granted to or held by the Administrative Agent upon any Collateral (i) as described in Section 9.02(d); (ii) as permitted by, but only in accordance with, the terms of the applicable Loan Document; or (iii) if approved, authorized or ratified in writing by the Required Lenders, unless such release is required to be approved by all of the Lenders hereunder. Upon request by the Administrative Agent at any time, the Lenders will confirm in writing the Administrative Agent's authority to release particular types or items of Collateral pursuant hereto. Upon any sale or transfer of assets constituting Collateral which is permitted pursuant to the terms of any Loan Document, or consented to in writing by the Required Lenders or all of the Lenders, as applicable, and upon at least five (5) Business Days' prior written request by the Borrower to the Administrative Agent, the Administrative Agent shall (and is hereby irrevocably authorized by the Lenders to) execute such documents as may be necessary to evidence the release of the Liens granted to the Administrative Agent for the benefit of the Secured Parties herein or pursuant hereto upon the Collateral that was sold or transferred; provided, however, that (i) the Administrative Agent shall not be required to execute any such document on terms which, in the Administrative Agent's reasonable opinion, would expose the Administrative Agent to liability or create any obligation or entail any consequence other than the release of such Liens without recourse or warranty, and (ii) such release shall not in any manner discharge, affect or impair the Secured Obligations or any Liens upon (or obligations of the Loan Parties in respect of) all interests retained by any Loan Party, including (without limitation) the proceeds of the sale, all of which shall continue to constitute part of the Collateral. Any execution and delivery by the Administrative Agent of documents in connection with any such release shall be without recourse to or warranty by the Administrative Agent.

(b) In furtherance of the foregoing and not in limitation thereof, no Banking Services Agreement or Swap Agreement will create (or be deemed to create) in favor of any Secured Party that is a party thereto any rights in connection with the management or release of any Collateral or of the obligations of any Loan Party under any Loan Document. By accepting the benefits of the Collateral, each Secured Party that is a party to any such Banking Services Agreement or Swap Agreement, as applicable, shall be deemed to have appointed the Administrative Agent to serve as administrative agent and collateral agent under the Loan Documents and agreed to be bound by the Loan Documents as a Secured Party thereunder, subject to the limitations set forth in this paragraph.

(c) The Secured Parties irrevocably authorize the Administrative Agent, at its option and in its discretion, to 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 6.02(b). 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 or any other Secured Party for any failure to monitor or maintain any portion of the Collateral.

SECTION 8.08. Credit Bidding. 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 by 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, including under Sections 363, 1123 or 1129 of the Bankruptcy Code, or any similar laws in any other jurisdictions to which a Loan Party is subject, or (b) at any other sale, 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 by the Administrative Agent at the direction of the Required Lenders 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 shall 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) for the asset or assets so purchased (or for the equity interests or debt instruments of the acquisition vehicle or vehicles that are issued in connection with such purchase). In connection with any such bid, (i) the Administrative Agent shall be authorized to form one or more acquisition vehicles and to assign any successful credit bid to such acquisition vehicle or vehicles, (ii) each of the Secured Parties' ratable interests in the Secured Obligations which were credit bid shall be deemed without any further action under this Agreement to be assigned to such vehicle or vehicles for the purpose of closing such sale, (iii) the Administrative Agent shall be authorized 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, and the governing documents shall provide for, control by the vote of the Required Lenders or their permitted assignees under the terms of this Agreement or the governing documents of the applicable acquisition vehicle or vehicles, as the case may be, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained in Section 9.02 of this Agreement), (iv) the Administrative Agent on behalf of such acquisition vehicle or vehicles shall be authorized to issue to each of the Secured Parties, ratably on account of the relevant Secured Obligations which were credit bid, interests, whether as equity, partnership interests, limited partnership interests or membership interests, in any such acquisition vehicle and/or debt instruments issued by such acquisition vehicle, all without the need for any Secured Party or acquisition vehicle to take any further action, and (v) 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 Secured Obligations credit bid by the acquisition vehicle or otherwise), such Secured Obligations shall automatically be reassigned to the Secured Parties pro rata with their original interest in such Secured Obligations and the equity interests and/or debt instruments issued by any acquisition vehicle on account of such Secured Obligations shall automatically be cancelled, without the need for any Secured Party or any acquisition vehicle to take any further action. Notwithstanding that the ratable portion of the Secured Obligations of each Secured Party are deemed assigned to the acquisition vehicle or vehicles as set forth in clause (ii) above, each Secured Party shall execute such documents and provide such information regarding the Secured Party (and/or any designee of the Secured Party which will receive interests in or debt instruments issued by such acquisition vehicle) as the Administrative Agent may reasonably request in connection with the formation of any acquisition vehicle, the formulation or submission of any credit bid or the consummation of the transactions contemplated by such credit bid.

SECTION 8.09. Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, any Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of the Plan Asset Regulations) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has 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 Arrangers, the Co-Syndication Agents or any of their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that none of the Administrative Agent, or the Arrangers, the Co-Syndication Agents or any of their respective Affiliates is a fiduciary with respect to the Collateral or 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 hereto or thereto).

(c) The Administrative Agent and each Arranger and each Co-Syndication Agent hereby informs the Lenders that each such Person is not undertaking to provide 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 Loans, the Letters of Credit, the Commitments, this Agreement and any other Loan Documents, (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the 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, commitment fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent fees 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 IX

Miscellaneous

SECTION 9.01. Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (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 telecopy (or, in the case of notices and other communications to the Borrower, by e-mail), as follows:

(i) if to the Borrower, to it at Standard Motor Products, Inc., 37-18 Northern Boulevard, Long Island City, New York 11101, Attention of Erin Pawlish, Treasurer (E-Mail: erin.pawlish@smpcorp.com; Telephone No. 718-316-4188);

(ii) if to the Administrative Agent, (A) in the case of Borrowings denominated in Dollars, to JPMorgan Chase Bank, N.A., 10 South Dearborn, Floor L2, Attention of Paul Isaac (Telecopy No. (844)492-3894), (B) in the case of Borrowings denominated in Foreign Currencies, to J.P. Morgan Europe Limited, 25 Bank Street, Canary Wharf, London E14 5JP, Attention of The Manager, Loan & Agency Services (Telecopy No. 44 207 777 2360), and (C) for all other notices, to JPMorgan Chase Bank, N.A., 395 N Service Road, Suite 302, Attention of Anthony Abbate (Telecopy No. (631)755-0136);

(iii) if to the Issuing Bank, to it at JPMorgan Chase Bank, N.A., 10 South Dearborn, Floor L2, Attention of Paul Isaac (Telecopy No. (844)492-3894);

(iv) if to the Swingline Lender, to it at JPMorgan Chase Bank, N.A., 10 South Dearborn, Floor L2, Attention of Paul Isaac (Telecopy No. (844)492-3894); and

(v) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile 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 delivered through Approved Electronic Platforms, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Notices and other communications to any Loan Party, the Lenders and the Issuing Bank hereunder may be delivered or furnished by using Approved Electronic Platforms pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(d) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto.

SECTION 9.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agent, the Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Bank and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or the Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Except as provided in Section 2.20 with respect to an Incremental Term Loan Amendment or as provided in Section 2.23 with respect to the extension of the Maturity Date or as provided in Section 2.24 with respect to an ESG Amendment or as provided in Section 2.14(b) and Section 2.14(c), neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender directly affected thereby (except that (A) any amendment or modification of the financial covenants in this Agreement (or defined terms used in the financial covenants in this Agreement) or any waiver or reduction of the Borrower to pay interest or fees at the applicable default rate set forth in Section 2.13(d) shall not constitute a reduction in the rate of interest or fees for purposes of this clause (ii) and (B) for the avoidance of doubt, the ESG Amendment entered into pursuant to Section 2.24 or, following the effectiveness of the ESG Amendment, any amendment or other modification of the ESG Pricing Provisions shall only require the consent of the Required Lenders pursuant to the terms and conditions of Section 2.24), (iii) postpone the scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any interest thereon (other than interest payable at the applicable default rate set forth in Section 2.13(d)), or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender directly affected thereby (other than any reduction of the amount of, or any extension of the payment date for, the mandatory prepayments required under Section 2.11, in each case which shall only require the approval of the Required Lenders), (iv) change Section 2.09(c) or 2.18(b) or (d) in a manner that would alter the ratable reduction of Commitments or the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) change the payment waterfall provisions of Section 2.22(b) or 7.03 without the written consent of each Lender, (vi) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender (it being understood that, solely with the consent of the parties prescribed by Section 2.20 to be parties to an Incremental Term Loan Amendment, Incremental Term Loans may be included in the determination of Required Lenders on substantially the same basis as the Commitments and the Loans are included on the Effective Date), (vii) (x) release the Borrower from its obligations under Article X or (y) release all or substantially all of the Subsidiary Guarantors from their obligations under the Subsidiary Guaranty, in each case, without the written consent of each Lender, or (viii) except as provided in clause (d) of this Section or in any Collateral Document, release all or substantially all of the Collateral, without the written consent of each Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, the Issuing Bank or the Swingline Lender hereunder without the prior written consent of the Administrative Agent, the Issuing Bank or the Swingline Lender, as the case may be (it being understood that any change to Section 2.22 shall require the consent of the Administrative Agent, the Issuing Bank and the Swingline Lender); and provided further that no such agreement shall amend or modify the provisions of Section 2.06 without the prior written consent of the Administrative Agent and the Issuing Bank. Notwithstanding the foregoing, no consent with respect to any amendment, waiver or other modification of this Agreement shall be required of any Defaulting Lender, except with respect to any amendment, waiver or other modification referred to in clause (i), (ii) or (iii) of the first

proviso of this paragraph and then only in the event such Defaulting Lender shall be directly affected by such amendment, waiver or other modification.

(c) Notwithstanding the foregoing, this Agreement and any other Loan Document may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrower (x) to add one or more credit facilities (in addition to the Incremental Term Loans pursuant to an Incremental Term Loan Amendment) to this Agreement and to permit extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Revolving Loans, the initial Term Loans, Incremental Term Loans and the accrued interest and fees in respect thereof and (y) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and Lenders (it being understood and agreed that any such amendment in connection with new or increases to the Commitments and/or Incremental Term Loans in accordance with Section 2.20 shall require solely the consent of the parties prescribed by such Section and shall not require the consent of the Required Lenders).

(d) The Lenders hereby irrevocably authorize the Administrative Agent, at its option and in its sole discretion, to release any Liens granted to the Administrative Agent by the Loan Parties on any Collateral (i) upon the termination of all the Commitments, payment and satisfaction in full in cash of all Secured Obligations (other than Swap Obligations not yet due and payable, Banking Services Obligations not yet due and payable, Unliquidated Obligations for which no claim has been made and other Obligations expressly stated to survive such payment and termination), and the cash collateralization of all Unliquidated Obligations in a manner satisfactory to the Administrative Agent, (ii) constituting property being sold or disposed of if the Borrower certifies to the Administrative Agent that the sale or disposition is made in compliance with the terms of this Agreement (and the Administrative Agent may rely conclusively on any such certificate, without further inquiry), (iii) constituting property leased to the Borrower or any Subsidiary under a lease which has expired or been terminated in a transaction permitted under this Agreement, (iv) as required to effect any sale or other disposition of such Collateral in connection with any exercise of remedies of the Administrative Agent and the Lenders pursuant to Article VII, or (v) that is property of a Subsidiary Guarantor, upon the release of such Subsidiary Guarantor from its obligations under the Subsidiary Guaranty. Any such release shall not in any manner discharge, affect, or impair the Secured Obligations or any Liens (other than those expressly being released) upon (or obligations of the Loan Parties in respect of) all interests retained by the Loan Parties, including the proceeds of any sale, all of which shall continue to constitute part of the Collateral (except to the extent any of the foregoing constitutes Excluded Assets). In addition, each of the Lenders, on behalf of itself and any of its Affiliates that are Secured Parties, irrevocably authorizes the Administrative Agent, at its option and in its discretion, (i) to subordinate any Lien on any assets 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 6.02(e) or (ii) in the event that the Borrower shall have advised the Administrative Agent that, notwithstanding the use by the Borrower of commercially reasonable efforts to obtain the consent of such holder (but without the requirement to pay any sums to obtain such consent) to permit the Administrative Agent to retain its liens (on a subordinated basis as contemplated by clause (i) above), the holder of such other Indebtedness requires, as a condition to the extension of such credit, that the Liens on such assets granted to or held by the Administrative Agent under any Loan Document be released, to release the Administrative Agent's Liens on such assets.

(e) If, in connection with any proposed amendment, waiver or consent requiring the consent of "each Lender" or "each Lender directly affected thereby," the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as a "Non-Consenting Lender"), then the Borrower may elect to replace a Non-Consenting Lender as a Lender party to this Agreement, provided that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Borrower and the Administrative Agent shall agree, as of such date, to purchase for cash the Loans and other Obligations due to the Non-Consenting Lender pursuant to an Assignment and Assumption and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements of clause (b) of Section 9.04, (ii) the Borrower shall pay to such Non-Consenting Lender in same day funds on the day of such replacement (1) all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by the Borrower hereunder to and including the date of termination, including without limitation payments due to such Non-Consenting Lender under Sections 2.15 and 2.17, and (2) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 2.16 had the Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender and (iii) such Non-Consenting Lender shall have received the outstanding principal amount of its Loans and participations in LC Disbursements. Each party hereto agrees that (i) an assignment required pursuant to this paragraph may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and such parties are participants), and (ii) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to and be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender, provided that any such documents shall be without recourse to or warranty by the parties thereto.

(f) Notwithstanding anything herein to the contrary, as to any amendment or amendment and restatement otherwise approved in accordance with this Section, it shall not be necessary to obtain the consent or approval of any Lender that, upon giving effect to such amendment or amendment and restatement, would have no Commitment or outstanding Loans so long as such Lender receives payment in full of the principal of and interest accrued on each Loan made by, and all other amounts owing to, such Lender or accrued for the account of such Lender under this Agreement and the other Loan Documents at the time such amendment, amendment and restatement or other modification becomes effective.

(g) Notwithstanding anything to the contrary herein, if the Administrative Agent and the Borrower acting together identify any ambiguity, omission, mistake, typographical error or other defect in any provision of this Agreement or any other Loan Document, then the Administrative Agent and the Borrower shall be permitted to amend, modify or supplement such provision to cure such ambiguity, omission, mistake, typographical error or other defect, and such amendment shall become effective without any further action or consent of any other party to this Agreement.

SECTION 9.03. Expenses; Limitation of Liability; Indemnity; Etc.

(a) Expenses. The Borrower shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of a single counsel for the Administrative Agent and of a single local counsel to the Administrative Agent in each relevant jurisdiction (which may include a single special counsel acting in multiple other jurisdictions) and of such other counsel retained with the prior written consent of the Borrower (such consent not to be unreasonably withheld or delayed)), in connection with the syndication and distribution (including, without limitation, via the internet or through a service such as SyndTrak or Intralinks) of the credit facilities provided for herein, the preparation and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the Issuing Bank in connection with the issuance, amendment or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by the Administrative Agent, the Issuing Bank or any Lender, including the fees, charges and disbursements of any counsel for the Administrative Agent, the Issuing Bank or any Lender (which shall be limited to one primary counsel and, if reasonably necessary, one local counsel in each relevant jurisdiction for all Indemnitees taken as a whole (and, solely in the case of an actual or perceived conflict of interest (as reasonably determined by the applicable Indemnitee), where the Indemnitee affected by such conflict informs the Borrower of such conflict, one additional counsel for each group of affected Indemnitees and, if reasonably necessary, one local counsel per relevant jurisdiction but excluding allocated fees and costs of in-house counsel)), in connection with the enforcement or protection of its rights in connection with this Agreement and any other Loan Document, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Limitation of Liability. To the extent permitted by applicable law (i) the Borrower and any other Loan Party shall not assert, and the Borrower and each other Loan Party hereby waives, any claim against the Administrative Agent, any Arranger, the Sustainability Structuring Agent, any Co-Syndication Agent, the Issuing Bank and any Lender, and any Related Party of any of the foregoing Persons (each such Person being called a "Lender-Related Person") for any Liabilities arising from the use by others of information or other materials (including, without limitation, any personal data) obtained through telecommunications, electronic or other information transmission systems (including the Internet), and (ii) no party hereto shall assert, and each such party hereby waives, any Liabilities against any other party hereto, 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 or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof; provided that, nothing in this Section 9.03(b) shall relieve the Borrower or any other Loan Party of any obligation it may have to indemnify an Indemnitee, as provided in Section 9.03(c), against any special, indirect, consequential or punitive damages asserted against such Indemnitee by a third party.

(c) Indemnity. The Borrower shall indemnify the Administrative Agent, each Arranger, the Sustainability Structuring Agent, each Co-Syndication Agent, the Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all Liabilities and related expenses, including the fees, charges and disbursements of any counsel (with any legal expenses limited to one primary counsel and, if reasonably necessary, one local counsel in each relevant jurisdiction for all Indemnitees taken as a whole (and, solely in the case of an actual or perceived conflict of interest (as reasonably determined by the applicable Indemnitee), where the Indemnitee affected by such conflict informs the Borrower of such conflict, one additional counsel for each group of affected Indemnitees and, if reasonably necessary, one local counsel per relevant jurisdiction but excluding allocated fees and costs of in-house counsel) for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document, or any agreement or instrument contemplated hereby or thereby, (ii) the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (iii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by the Issuing Bank 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), (iv) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (v) any actual or prospective Proceeding relating to any of the foregoing, whether or not such Proceeding is brought by the Borrower or any other Loan Party or its or their respective equity holders, Affiliates, creditors or any other third Person and whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such Liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (i) the bad faith, gross negligence or willful misconduct of such Indemnitee or (ii) such Indemnitee's material breach of its express obligations under any of the Loan Documents pursuant to a claim initiated by the Borrower. This Section 9.03(c) shall not apply with respect to Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax claim.

(d) Lender Reimbursement. Each Lender severally agrees to pay any amount required to be paid by the Borrower under paragraph (a), (b) or (c) of this Section 9.03 to the Administrative Agent, the Issuing Bank and the Swingline Lender, and each Related Party of any of the foregoing Persons (each, an "Agent-Related Person") (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective Applicable Percentage in effect on the date on which such payment is sought under this Section (or, if such payment is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such Applicable Percentage immediately prior to such date), and agrees to indemnify and hold each Agent-Related Person harmless from and against any and all Liabilities and related expenses, including the fees, charges and disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against such Agent-Related Person in any way relating to or arising out of the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent-Related Person under or in connection with any of the foregoing; provided that the unreimbursed expense or Liability or related expense, as the case may be, was incurred by or asserted against such Agent-Related Person in its capacity as such; provided further that no Lender shall be liable for the payment of any portion of such Liabilities, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted primarily from such Agent-Related Person's bad faith, gross negligence or willful misconduct. The agreements in this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

(e) All amounts due under this Section 9.03 shall be payable not later than fifteen (15) days after written demand therefor.

SECTION 9.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Bank and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more Persons (other than an Ineligible Institution) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments, participations in Letters of Credit and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld, conditioned or delayed) of:

(A) the Borrower (provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof); provided, further, that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default arising pursuant to any of Sections 7.01(a), (b), (h) or (i) has occurred and is continuing, any other assignee;

(B) the Administrative Agent;

(C) the Issuing Bank; provided that no consent of the Issuing Bank shall be required for an assignment of all or any portion of a Term Loan; and

(D) the Swingline Lender; provided that no consent of the Swingline Lender shall be required for an assignment of all or any portion of a Term Loan.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $10,000,000 (in the case of Revolving Commitments and Revolving Loans) or $5,000,000 (in the case of a Term Loan) unless each of the Borrower and the Administrative Agent otherwise consent; provided that no such consent of the Borrower shall be required if an Event of Default arising pursuant to any of Sections 7.01(a), (b), (h) or (i) has occurred and is continuing;

(B) 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; provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent (x) an Assignment and Assumption or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, together with a processing and recordation fee of $3,500; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower and its Affiliates and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including federal and state securities laws.

For the purposes of this Section 9.04(b), the terms "Approved Fund" and "Ineligible Institution" have the following meanings:

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

"Ineligible Institution" means (a) a natural person, (b) a Defaulting Lender or its Lender Parent, (c) the Borrower, any of its Subsidiaries or any of its Affiliates, or (d) a company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person or relative(s) thereof.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount (and stated interest) of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent, the Issuing Bank and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of (x) a duly completed Assignment and Assumption executed by an assigning Lender and an assignee or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.05(c), 2.06(d) or (e), 2.07(b), 2.18(e) or 9.03(d), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) Any Lender may, without the consent of, or notice to, the Borrower, the Administrative Agent, the Issuing Bank or the Swingline Lender, sell participations to one or more banks or other entities (a "Participant"), other than an Ineligible Institution, in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged; (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations; and (C) the Borrower, the Administrative Agent, the Issuing Bank and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 (subject to the requirements and limitations therein, including the requirements under Section 2.17(f) (it being understood that the documentation required under Section 2.17(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 2.18 and 2.19 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Section 2.15 or 2.17, with respect to any participation, than its participating Lender 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 Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.19(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.18(d) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations or Section 1.163-5(b) of the Proposed United States Treasury Regulations (or, in each case, any amended or successor version). 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.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid or any Letter of Credit is outstanding (unless such Letter of Credit has been cash collateralized or backstopped pursuant to arrangements reasonably satisfactory to the Administrative Agent and the Issuing Bank) and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any other Loan Document or any provision hereof or thereof.

SECTION 9.06. Counterparts; Integration; Effectiveness; Electronic Execution. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 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 which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of (x) this Agreement, (y) any other Loan Document and/or (z) any document, amendment, approval, consent, information, notice (including, for the avoidance of doubt, any notice delivered pursuant to Section 9.01), certificate, request, statement, disclosure or authorization related to this Agreement, any other Loan Document and/or the transactions contemplated hereby and/or thereby (each an "Ancillary Document") that is an Electronic Signature transmitted by telecopy, emailed pdf, or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement, such other Loan Document or such Ancillary Document, as applicable. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement, any other Loan Document and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf, or any other electronic means that reproduces an image of an actual executed signature page), 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; provided that nothing herein shall require the Administrative Agent to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; provided, further, without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept any Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of the Borrower or any other Loan Party without further verification thereof and without any obligation to review the appearance or form of any such Electronic Signature and (ii) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by a manually executed counterpart. Without limiting the generality of the foregoing, the Borrower and each other Loan Party hereby (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders, the Borrower and the other Loan Parties, Electronic Signatures transmitted by telecopy, emailed pdf, or any other electronic means that reproduces an image of an actual executed signature page and/or any electronic images of this Agreement, any other Loan Document and/or any Ancillary Document shall have the same legal effect, validity and enforceability as any paper original, (ii) agrees that the Administrative Agent and each of the Lenders may, at its option, create one or more copies of this Agreement, any other Loan Document and/or any Ancillary Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of such Person's business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), (iii) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document and/or any Ancillary Document based solely on the lack of paper original copies of this Agreement, such other Loan Document and/or such Ancillary Document, respectively, including with respect to any signature pages thereto and (iv) waives any claim against any Lender-Related Person for any Liabilities arising solely from the Administrative Agent's and/or any Lender's reliance on or use of Electronic Signatures and/or transmissions by telecopy, emailed pdf, or any other electronic means that reproduces an image of an actual executed signature page, including any Liabilities arising as a result of the failure of the Borrower and/or any other Loan Party to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

SECTION 9.07. Severability. Any provision of any Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender, the Issuing Bank, and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to setoff and apply any and all deposits (general or special, time or demand, provisional or final) at any time held, and other obligations at any time owing, by such Lender, the Issuing Bank or any such Affiliate, to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender or the Issuing Bank or their respective Affiliates, irrespective of whether or not such Lender, the Issuing Bank or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower may be contingent or unmatured or are owed to a branch office or Affiliate of such Lender or the Issuing Bank different from the branch office or Affiliate holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so setoff shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.22 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 Issuing Bank, and the Lenders, and (y) 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. The rights of each Lender, the Issuing Bank and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the Issuing Bank or their respective Affiliates may have. Each Lender and the Issuing Bank agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process.

(a) THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN ANY SUCH OTHER LOAN DOCUMENT) SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

(b) Each of the Lenders and the Administrative Agent hereby irrevocably and unconditionally agrees that, notwithstanding the governing law provisions of any applicable Loan Document, any claims brought against the Administrative Agent by any Secured Party relating to this Agreement, any other Loan Document, the Collateral or the consummation or administration of the transactions contemplated hereby or thereby shall be construed in accordance with and governed by the law of the State of New York.

(c) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the United States District Court for the Southern District of New York sitting in the Borough of Manhattan (or if such court lacks subject matter jurisdiction, the Supreme Court of the State of New York sitting in the Borough of Manhattan), and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may (and any such claims, cross-claims or third party claims brought against the Administrative Agent or any of its Related Parties may only) be heard and determined in such Federal (to the extent permitted by law) or New York State court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(d) Each of the parties hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (c) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(e) Each of the parties hereto hereby irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, 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 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 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality. Each of the Administrative Agent, the Issuing Bank and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any Governmental Authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies under this Agreement or any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (1) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (2) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) on a confidential basis to (1) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided for herein or (2) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of identification numbers with respect to the credit facilities provided for herein, (h) with the prior written consent of the Borrower or (i) 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, the Issuing Bank or any Lender on a nonconfidential basis from a source other than the Borrower. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Administrative Agent, the Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by the Borrower and other than information pertaining to this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry. 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.

EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN THE IMMEDIATELY PRECEDING PARAGRAPH FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE BORROWER AND ITS RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE BORROWER, THE OTHER LOAN PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.

SECTION 9.13. USA PATRIOT Act. Each Lender that is subject to the requirements of the Patriot Act and the requirements of the Beneficial Ownership Regulation hereby notifies each Loan Party that, pursuant to the requirements of the Patriot Act and the Beneficial Ownership Regulation, it is required to obtain, verify and record information that identifies such Loan Party, which information includes the name, address and tax identification number of such Loan Party and other information that will allow such Lender to identify such Loan Party in accordance with the Patriot Act and the Beneficial Ownership Regulation and other applicable “know your customer” and anti-money laundering rules and regulations.

SECTION 9.14. Releases of Subsidiary Guarantors.

(a) A Subsidiary Guarantor shall automatically be released from its obligations under the Subsidiary Guaranty upon the consummation of any transaction permitted by this Agreement as a result of which such Subsidiary Guarantor ceases to be a Subsidiary; provided that, if so required by this Agreement, the Required Lenders shall have consented to such transaction and the terms of such consent shall not have provided otherwise. In connection with any termination or release pursuant to this Section, the Administrative Agent shall (and is hereby irrevocably authorized by each Lender to) execute and deliver to any Loan Party, at such Loan Party’s expense, all documents that such Loan Party shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section shall be without recourse to or warranty by the Administrative Agent.

(b) Further, the Administrative Agent may (and is hereby irrevocably authorized by each Lender to), upon the request of the Borrower, release any Subsidiary Guarantor from its obligations under the Subsidiary Guaranty (i) if such Subsidiary Guarantor is no longer a Material Domestic Subsidiary, (ii) becomes an Excluded Subsidiary or is otherwise not required pursuant to the terms of this Agreement to be a Subsidiary Guarantor; provided that if any Guarantor ceases to be a Wholly-Owned Restricted Subsidiary, directly or indirectly, of the Borrower, such Subsidiary shall not be released from its Guarantee of the Secured Obligations unless either (x) it is no longer a direct or indirect Subsidiary of the Borrower pursuant to a transaction that is otherwise permitted hereunder or (y)(A) the transaction pursuant to which such Subsidiary ceases to be a direct or indirect Wholly-Owned Restricted Subsidiary of the Borrower is consummated with a bona fide third-party that is not an Affiliate of any Loan Party for fair market value, (B) such Subsidiary does not (I) own or have an exclusive license of any Material Intellectual Property or (II) own any Equity Interests of any Person that owns or is the exclusive licensee of any Material Intellectual Property, (C) the primary purpose of such transaction is not the release of any Guarantee or Lien on such Subsidiary (it being understood that this proviso shall not limit the release of any Subsidiary Guarantor that is an Excluded Subsidiary other than not being a Wholly-Owned Restricted Subsidiary of the Borrower), and (D) with respect to a release pursuant to this clause (y) after giving pro forma effect to such release and the consummation of the relevant transaction, the Borrower shall be deemed to have made a new investment in such Person (as if such Person were then newly acquired or formed) and such release shall be subject to such investment being permitted under this Agreement); or (ii) such release is approved, authorized or ratified by the requisite Lenders pursuant to Section 9.02.

(c) At such time as the principal and interest on the Loans, all LC Disbursements, the fees, expenses and other amounts payable under the Loan Documents and the other Secured Obligations (other than Swap Obligations not yet due and payable, Banking Services Obligations not yet due and payable, Unliquidated Obligations for which no claim has been made and other Obligations expressly stated to survive such payment and termination) shall have been paid in full in cash, the Commitments shall have been terminated and no Letters of Credit shall be outstanding, the Subsidiary Guaranty and all obligations (other than those expressly stated to survive such termination) of each Subsidiary Guarantor thereunder shall automatically terminate, all without delivery of any instrument or performance of any act by any Person.

SECTION 9.15. Appointment for Perfection. Each Lender hereby appoints each other Lender as its agent for the purpose of perfecting Liens, for the benefit of the Administrative Agent and the Secured Parties, in assets which, in accordance with Article 9 of the UCC or any other applicable law can be perfected only by possession or control. Should any Lender (other than the Administrative Agent) obtain possession or control of any such Collateral, such Lender shall notify the Administrative Agent thereof, and, promptly upon the Administrative Agent's request therefor shall deliver such Collateral to the Administrative Agent or otherwise deal with such Collateral in accordance with the Administrative Agent's instructions.

SECTION 9.16. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the applicable Overnight Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.17. No Fiduciary Duty, etc.

(a) The Borrower acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that no Credit Party will have any obligations except those obligations expressly set forth herein and in the other Loan Documents and each Credit Party is acting solely in the capacity of an arm's length contractual counterparty to the Borrower with respect to the Loan Documents and the transactions contemplated herein and therein and not as a financial advisor or a fiduciary to, or an agent of, the Borrower or any other person. The Borrower agrees that it will not assert any claim against any Credit Party based on an alleged breach of fiduciary duty by such Credit Party in connection with this Agreement and the transactions contemplated hereby. Additionally, the Borrower acknowledges and agrees that no Credit Party is advising the Borrower as to any legal, tax, investment, accounting, regulatory or any other matters in any jurisdiction. The Borrower shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated herein or in the other Loan Documents, and the Credit Parties shall have no responsibility or liability to the Borrower with respect thereto.

(b) The Borrower further acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that each Credit Party, together with its Affiliates, is a full service securities or banking firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, any Credit Party may provide investment banking and other financial services to, and/or acquire, hold or sell, for its own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of, the Borrower, its Subsidiaries and other companies with which the Borrower or any of its Subsidiaries may have commercial or other relationships. With respect to any securities and/or financial instruments so held by any Credit Party or any of its customers, all rights in respect of such securities and financial instruments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion.

(c) In addition, the Borrower acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that each Credit Party and its Affiliates may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which the Borrower or any of its Subsidiaries may have conflicting interests regarding the transactions described herein and otherwise. No Credit Party will use confidential information obtained from the Borrower by virtue of the transactions contemplated by the Loan Documents or its other relationships with the Borrower in connection with the performance by such Credit Party of services for other companies, and no Credit Party will furnish any such information to other companies. The Borrower also acknowledges that no Credit Party has any obligation to use in connection with the transactions contemplated by the Loan Documents, or to furnish to the Borrower or any of its Subsidiaries, confidential information obtained from other companies.

SECTION 9.18. Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

SECTION 9.19. Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Agreements or any other agreement or instrument that is a QFC (such support "QFC Credit Support" and each such QFC a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

ARTICLE X

Borrower Guarantee

In order to induce the Lenders to extend credit to the Borrower hereunder and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Borrower hereby absolutely and irrevocably and unconditionally guarantees, as a primary obligor and not merely as a surety, the payment when and as due of the Specified Ancillary Obligations of the Subsidiaries. The Borrower further agrees that the due and punctual payment of such Specified Ancillary Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee hereunder notwithstanding any such extension or renewal of any such Specified Ancillary Obligation.

The Borrower waives presentment to, demand of payment from and protest to any Subsidiary of any of the Specified Ancillary Obligations, and also waives notice of acceptance of its obligations and notice of protest for nonpayment. The obligations of the Borrower hereunder shall not be affected by (a) the failure of any applicable Lender (or any of its Affiliates) to assert any claim or demand or to enforce any right or remedy against any Subsidiary under the provisions of any Banking Services Agreement, any Swap Agreement or otherwise; (b) any extension or renewal of any of the Specified Ancillary Obligations; (c) any rescission, waiver, amendment or modification of, or release from, any of the terms or provisions of this Agreement, any other Loan Document, any Banking Services Agreement, any Swap Agreement or other agreement; (d) any default, failure or delay, willful or otherwise, in the performance of any of the Specified Ancillary Obligations; (e) the failure of any applicable Lender (or any of its Affiliates) to take any steps to perfect and maintain any security interest in, or to preserve any rights to, any security or collateral for the Specified Ancillary Obligations, if any; (f) any change in the corporate, partnership or other existence, structure or ownership of any Subsidiary or any other guarantor of any of the Specified Ancillary Obligations; (g) the enforceability or validity of the Specified Ancillary Obligations or any part thereof or the genuineness, enforceability or validity of any agreement relating thereto or with respect to any collateral securing the Specified Ancillary Obligations or any part thereof, or any other invalidity or unenforceability relating to or against any Subsidiary or any other guarantor of any of the Specified Ancillary Obligations, for any reason related to this Agreement, any other Loan Document, any Banking Services Agreement, any Swap Agreement, or any provision of applicable law, decree, order or regulation of any jurisdiction purporting to prohibit the payment by such Subsidiary or any other guarantor of the Specified Ancillary Obligations, of any of the Specified Ancillary Obligations or otherwise affecting any term of any of the Specified Ancillary Obligations; or (h) any other act, omission or delay to do any other act which may or might in any manner or to any extent vary the risk of the Borrower or otherwise operate as a discharge of a guarantor as a matter of law or equity or which would impair or eliminate any right of the Borrower to subrogation.

The Borrower further agrees that its agreement hereunder constitutes a guarantee of payment when due (whether or not any bankruptcy or similar proceeding shall have stayed the accrual or collection of any of the Specified Ancillary Obligations or operated as a discharge thereof) and not merely of collection, and waives any right to require that any resort be had by any applicable Lender (or any of its Affiliates) to any balance of any deposit account or credit on the books of the Administrative Agent, the Issuing Bank or any Lender in favor of any Subsidiary or any other Person.

The obligations of the Borrower hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, and shall not be subject to any defense or setoff, counterclaim, recoupment or termination whatsoever, by reason of the invalidity, illegality or unenforceability of any of the Specified Ancillary Obligations, any impossibility in the performance of any of the Specified Ancillary Obligations or otherwise.

The Borrower further agrees that its obligations hereunder shall constitute a continuing and irrevocable guarantee of all Specified Ancillary Obligations now or hereafter existing and shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Specified Ancillary Obligation (including a payment effected through exercise of a right of setoff) is rescinded, or is or must otherwise be restored or returned by any applicable Lender (or any of its Affiliates) upon the insolvency, bankruptcy or reorganization of any Subsidiary or otherwise (including pursuant to any settlement entered into by a holder of Specified Ancillary Obligations in its discretion).

In furtherance of the foregoing and not in limitation of any other right which any applicable Lender (or any of its Affiliates) may have at law or in equity against the Borrower by virtue hereof, upon the failure of any Subsidiary to pay any Specified Ancillary Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, the Borrower hereby promises to and will, upon receipt of written demand by any applicable Lender (or any of its Affiliates), forthwith pay, or cause to be paid, to such applicable Lender (or any of its Affiliates) in cash an amount equal to the unpaid principal amount of such Specified Ancillary Obligations then due, together with accrued and unpaid interest thereon. The Borrower further agrees that if payment in respect of any Specified Ancillary Obligation shall be due in a currency other than Dollars and/or at a place of payment other than New York, Chicago or any other Foreign Currency Payment Office and if, by reason of any Change in Law, disruption of currency or foreign exchange markets, war or civil disturbance or other event, payment of such Specified Ancillary Obligation in such currency or at such place of payment shall be impossible or, in the reasonable judgment of any applicable Lender (or any of its Affiliates), disadvantageous to such applicable Lender (or any of its Affiliates) in any material respect, then, at the election of such applicable Lender, the Borrower shall make payment of such Specified Ancillary Obligation in Dollars (based upon the Dollar Amount of such Specified Ancillary Obligation on the date of payment) and/or in New York, Chicago or such other Foreign Currency Payment Office as is designated by such applicable Lender (or its Affiliate) and, as a separate and independent obligation, shall indemnify such applicable Lender (and any of its Affiliates) against any losses or reasonable out-of-pocket expenses that it shall sustain as a result of such alternative payment.

Upon payment by the Borrower of any sums as provided above, all rights of the Borrower against any Subsidiary arising as a result thereof by way of right of subrogation or otherwise shall in all respects be subordinated and junior in right of payment to the prior indefeasible payment in full in cash of all the Specified Ancillary Obligations owed by such Subsidiary to the applicable Lender (or its applicable Affiliates).

The Borrower hereby absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each Subsidiary Guarantor to honor all of its obligations under the Subsidiary Guaranty in respect of Specified Swap Obligations (provided, however, that the Borrower shall only be liable under this paragraph for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this paragraph or otherwise under this Article X voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The Borrower intends that this paragraph constitute, and this paragraph shall be deemed to constitute, a “keepwell, support, or other agreement” for the benefit of each Subsidiary Guarantor for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

Nothing shall discharge or satisfy the liability of the Borrower hereunder except the full performance and payment in cash of the Secured Obligations.

[Signature Pages Follow]

EXHIBIT 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Eric P. Sills, certify that:

1. I have reviewed this report on Form 10-Q of Standard Motor Products, 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: August 1, 2024

/s/ Eric P. Sills

Eric P. Sills
Chief Executive Officer and President

EXHIBIT 31.2

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Nathan R. Iles, certify that:

1. I have reviewed this report on Form 10-Q of Standard Motor Products, 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: August 1, 2024

/s/ Nathan R. Iles
Nathan R. Iles
Chief Financial Office

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Standard Motor Products, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Eric P. Sills, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Eric P. Sills
Eric P. Sills
Chief Executive Officer and President
August 1, 2024

* A signed original of this written statement required by Section 906 has been provided to Standard Motor Products, Inc. and will be retained by Standard Motor Products, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Standard Motor Products, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Nathan R. Iles, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Nathan R. Iles
Nathan R. Iles
Chief Financial Officer
August 1, 2024

* A signed original of this written statement required by Section 906 has been provided to Standard Motor Products, Inc. and will be retained by Standard Motor Products, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Document and Entity Information - shares	6 Months Ended Jun. 30, 2024	Jul. 30, 2024
Cover [Abstract]		
Document Type	10-Q	
Amendment Flag	false	
Document Quarterly Report	true	
Document Period End Date	Jun. 30, 2024	
Current Fiscal Year End Date	--12-31	
Document Fiscal Year Focus	2024	
Document Fiscal Period Focus	Q2	
Document Transition Report	false	
Entity File Number	001-04743	
Entity Registrant Name	Standard Motor Products, Inc.	
Entity Central Index Key	0000093389	
Entity Incorporation, State or Country Code	NY	
Entity Tax Identification Number	11-1362020	
Entity Address, Address Line One	37-18 Northern Blvd.	
Entity Address, City or Town	Long Island City	
Entity Address, State or Province	NY	
Entity Address, Postal Zip Code	11101	
City Area Code	718	
Local Phone Number	392-0200	
Title of 12(b) Security	Common Stock, par value $2.00 per share	
Trading Symbol	SMP	
Security Exchange Name	NYSE	
Entity Current Reporting Status	Yes	
Entity Interactive Data Current	Yes	
Entity Filer Category	Large Accelerated Filer	
Entity Small Business	false	
Entity Emerging Growth Company	false	
Entity Shell Company	false	
Entity Common Stock, Shares Outstanding		21,712,938

CONSOLIDATED STATEMENTS OF OPERATIONS - USD ($) $ in Thousands	3 Months Ended		6 Months Ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
CONSOLIDATED STATEMENTS OF OPERATIONS [Abstract]				
Net sales	[1] $ 389,829	$ 353,075	$ 721,232	$ 681,103
Cost of sales	278,382	251,806	520,263	488,567
Gross profit	111,447	101,269	200,969	192,536
Selling, general and administrative expenses	83,885	73,843	158,618	143,476
Restructuring and integration expenses	2,559	294	2,751	1,206
Other income (expense), net	(17)	46	5	70
Operating income	24,986	27,178	39,605	47,924
Other non-operating income, net	2,199	802	3,018	1,027
Interest expense	2,752	3,283	4,819	7,145
Earnings from continuing operations before taxes	24,433	24,697	37,804	41,806
Provision for income taxes	6,109	6,289	9,451	10,661
Earnings from continuing operations	18,324	18,408	28,353	31,145
Loss from discontinued operations, net of income taxes	(917)	(9,221)	(1,956)	(10,001)
Net earnings	17,407	9,187	26,397	21,144
Net earnings attributable to noncontrolling interest	344	50	510	89
Net earnings attributable to SMP	[2] 17,063	9,137	25,887	21,055
Net earnings (loss) attributable to SMP				
Continuing operations	17,980	18,358	27,843	31,056
Discontinued operations	(917)	(9,221)	(1,956)	(10,001)
Net earnings attributable to SMP	[2] $ 17,063	$ 9,137	$ 25,887	$ 21,055
Basic:				
Continuing operations (in dollars per share)	$ 0.83	$ 0.85	$ 1.27	$ 1.43
Discontinued operations (in dollars per share)	(0.05)	(0.43)	(0.09)	(0.46)
Net earnings attributable to SMP per common share (in dollars per share)	0.78	0.42	1.18	0.97
Diluted:				
Continuing operations (in dollars per share)	0.81	0.83	1.25	1.4
Discontinued operations (in dollars per share)	(0.04)	(0.42)	(0.09)	(0.45)
Net earnings attributable to SMP per common share (in dollars per share)	0.77	0.41	1.16	0.95
Dividend declared per common share (in dollars per share)	$ 0.29	$ 0.29	$ 0.58	$ 0.58
Weighted average number of common shares, basic (in shares)	21,767,526	21,689,067	21,845,678	21,649,562
Weighted average number of common shares, diluted (in shares)	22,185,536	22,183,489	22,277,590	22,139,708

[1] There are no intersegment sales among our Vehicle Control, Temperature Control and Engineered Solutions operating segments.

[2] Throughout this Form 10-Q, “SMP” refers to Standard Motor Products, Inc. and subsidiaries.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME - USD ($) $ in Thousands	3 Months Ended		6 Months Ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME [Abstract]				
Net earnings	$ 17,407	$ 9,187	$ 26,397	$ 21,144
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	(3,744)	1,166	(4,968)	3,986
Derivative instruments	79	1,831	1,470	454
Pension and postretirement plans	(2)	(4)	(5)	(7)
Other comprehensive income, net of tax	(3,667)	2,993	(3,503)	4,433
Comprehensive income	13,740	12,180	22,894	25,577
Comprehensive income (loss) attributable to noncontrolling interest, net of tax:				
Net earnings	344	50	510	89
Foreign currency translation adjustments	(11)	(81)	(15)	(110)
Comprehensive income (loss) attributable to noncontrolling interest, net of tax	333	(31)	495	(21)
Comprehensive income attributable to SMP	$ 13,407	$ 12,211	$ 22,399	$ 25,598

CONSOLIDATED BALANCE SHEETS - USD ($) $ in Thousands	Jun. 30, 2024	Dec. 31, 2023
CURRENT ASSETS:		
Cash and cash equivalents	$ 26,156	$ 32,526
Accounts receivable, less allowances for discounts and expected credit losses of $8,672 and $8,045 for 2024 and 2023, respectively	239,317	160,282
Inventories	508,183	507,075
Unreturned customer inventories	18,119	18,240
Prepaid expenses and other current assets	24,880	26,100
Total current assets	816,655	744,223
Property, plant and equipment, net of accumulated depreciation of $265,904 and $259,656 for 2024 and 2023, respectively	131,921	121,872
Operating lease right-of-use assets	99,121	100,065
Goodwill	134,476	134,729
Other intangibles, net	87,597	92,308
Deferred income taxes	40,287	40,533
Investments in unconsolidated affiliates	25,615	24,050
Other assets	38,656	35,267
Total assets	1,374,328	1,293,047
CURRENT LIABILITIES:		
Current portion of term loan and other debt	5,030	5,029
Accounts payable	105,094	107,455
Sundry payables and accrued expenses	66,239	63,303
Accrued customer returns	53,102	38,238
Accrued core liability	16,017	18,399
Accrued rebates	54,280	42,278
Payroll and commissions	32,404	29,561
Total current liabilities	332,166	304,263
Long-term debt	203,162	151,182
Noncurrent operating lease liabilities	88,820	88,974
Other accrued liabilities	29,501	25,742
Accrued asbestos liabilities	66,357	72,013
Total liabilities	720,006	642,174
Commitments and contingencies		
Stockholders' equity:		
Common stock - par value $2.00 per share: Authorized - 30,000,000 shares; issued 23,936,036 shares	47,872	47,872
Capital in excess of par value	102,738	101,751
Retained earnings	586,407	573,226
Accumulated other comprehensive income	(9,462)	(5,974)
Treasury stock - at cost (2,223,698 shares and 2,018,982 shares in 2024 and 2023, respectively)	(87,537)	(81,811)

Total SMP stockholders' equity	640,018	635,064
Noncontrolling interest	14,304	15,809
Total stockholders' equity	654,322	650,873
Total liabilities and stockholders' equity	$ 1,374,328	$ 1,293,047

CONSOLIDATED BALANCE SHEETS (Parenthetical) - USD ($) $ in Thousands

	Jun. 30, 2024	Dec. 31, 2023
CURRENT ASSETS:		
Accounts receivable, allowances for discounts and expected credit losses	$ 8,672	$ 8,045
Property, plant and equipment, accumulated depreciation	$ 265,904	$ 259,656
Stockholders' equity:		
Common stock, par value (in dollars per share)	$ 2	$ 2
Common stock, shares authorized (in shares)	30,000,000	30,000,000
Common stock, shares issued (in shares)	23,936,036	23,936,036
Treasury stock - at cost (in shares)	2,223,698	2,018,982

CONSOLIDATED STATEMENTS OF CASH FLOWS - USD ($) $ in Thousands	6 Months Ended	
	Jun. 30, 2024	Jun. 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	$ 26,397	$ 21,144
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Depreciation and amortization	14,619	14,129
Amortization of deferred financing cost	240	248
Increase to allowance for expected credit losses	418	204
Increase to inventory reserves	2,907	1,600
Equity income from joint ventures	(2,207)	(943)
Employee stock ownership plan allocation	1,394	1,483
Stock-based compensation	3,049	3,633
Increase in deferred income taxes	(241)	(390)
Loss on discontinued operations, net of tax	1,956	10,001
Change in assets and liabilities:		
Increase in accounts receivable	(81,060)	(48,271)
(Increase) decrease in inventories	(3,641)	30,924
Increase (decrease) in prepaid expenses and other current assets	2,757	(468)
Increase (decrease) in accounts payable	(2,168)	4,323
Increase in sundry payables and accrued expenses	29,966	2,776
Net change in other assets and liabilities	(4,525)	(1,023)
Net cash provided by (used in) operating activities	(10,139)	39,370
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(22,941)	(9,507)
Other investing activities	18	66
Net cash used in investing activities	(22,923)	(9,441)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of term loan	(2,500)	(2,500)
Net borrowings (repayments) under revolving credit facilities	54,500	(14,000)
Net borrowings (repayments) of other debt and lease obligations	(14)	(47)
Purchase of treasury stock	(10,409)	0
Increase in overdraft balances	200	258
Dividends paid	(12,706)	(12,544)
Dividends paid to noncontrolling interest	(600)	(255)
Net cash provided by (used in) financing activities	28,471	(29,088)
Effect of exchange rate changes on cash	(1,779)	1,028
Net increase (decrease) in cash and cash equivalents	(6,370)	1,869
CASH AND CASH EQUIVALENTS at beginning of period	32,526	21,150
CASH AND CASH EQUIVALENTS at end of period	26,156	23,019
Cash paid during the period for:		
Interest	5,603	7,694

Income taxes	6,435	9,356
Noncash financing activity:		
Dividend payable to noncontrolling interest	$ 1,400	$ 0

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY - USD ($) $ in Thousands	Common Stock [Member]	Capital in Excess of Par Value [Member]	Retained Earnings [Member]	Accumulated Other Comprehensive Income (Loss) [Member]	Treasury Stock [Member]	Total SMP [Member]	Non-Controlling Interest [Member]	Total
Balance at beginning of period at Dec. 31, 2022	$ 47,872	$ 105,615	$ 564,242	$ (12,470)	$ (95,239)	$ 610,020	$ 11,018	$ 621,038
Increase (Decrease) in Stockholders' Equity [Roll Forward]								
Net earnings	0	0	21,055	0	0	21,055	89	21,144
Other comprehensive income (loss), net of tax	0	0	0	4,543	0	4,543	(110)	4,433
Cash dividends paid	0	0	(12,544)	0	0	(12,544)	0	(12,544)
Dividends to noncontrolling interest	0	0	0	0	0	0	(255)	(255)
Stock-based compensation	0	898	0	0	2,735	3,633	0	3,633
Employee Stock Ownership Plan	0	16	0	0	2,950	2,966	0	2,966
Balance at end of period at Jun. 30, 2023	47,872	106,529	572,753	(7,927)	(89,554)	629,673	10,742	640,415
Balance at beginning of period at Mar. 31, 2023	47,872	106,675	569,899	(11,001)	(91,801)	621,644	11,028	632,672
Increase (Decrease) in Stockholders' Equity [Roll Forward]								
Net earnings	0	0	9,137	0	0	9,137	50	9,187
Other comprehensive income (loss), net of tax	0	0	0	3,074	0	3,074	(81)	2,993
Cash dividends paid	0	0	(6,283)	0	0	(6,283)	0	(6,283)
Dividends to noncontrolling interest	0	0	0	0	0	0	(255)	(255)
Stock-based compensation	0	(146)	0	0	2,247	2,101	0	2,101
Balance at end of period at Jun. 30, 2023	47,872	106,529	572,753	(7,927)	(89,554)	629,673	10,742	640,415
Balance at beginning of period at Dec. 31, 2023	47,872	101,751	573,226	(5,974)	(81,811)	635,064	15,809	650,873
Increase (Decrease) in Stockholders' Equity [Roll Forward]								
Net earnings	0	0	25,887	0	0	25,887	510	26,397
Other comprehensive income (loss), net of tax	0	0	0	(3,488)	0	(3,488)	(15)	(3,503)
Cash dividends paid	0	0	(12,706)	0	0	(12,706)	0	(12,706)
Purchase of treasury stock	0	0	0	0	(10,409)	(10,409)	0	(10,409)
Dividends to noncontrolling interest	0	0	0	0	0	0	(2,000)	(2,000)
Stock-based compensation	0	984	0	0	1,899	2,883	0	2,883

Employee Stock Ownership Plan	0	3	0	0	2,784	2,787	0	2,787
Balance at end of period at Jun. 30, 2024	47,872	102,738	586,407	(9,462)	(87,537)	640,018	14,304	654,322
Balance at beginning of period at Mar. 31, 2024	47,872	102,704	575,658	(5,806)	(81,278)	639,150	15,971	655,121
Increase (Decrease) in Stockholders' Equity [Roll Forward]								
Net earnings	0	0	17,063	0	0	17,063	344	17,407
Other comprehensive income (loss), net of tax	0	0	0	(3,656)	0	(3,656)	(11)	(3,667)
Cash dividends paid	0	0	(6,314)	0	0	(6,314)	0	(6,314)
Purchase of treasury stock	0	0	0	0	(7,838)	(7,838)	0	(7,838)
Dividends to noncontrolling interest	0	0	0	0	0	0	(2,000)	(2,000)
Stock-based compensation	0	34	0	0	1,579	1,613	0	1,613
Balance at end of period at Jun. 30, 2024	$ 47,872	$ 102,738	$ 586,407	$ (9,462)	$ (87,537)	$ 640,018	$ 14,304	$ 654,322

Basis of Presentation

6 Months Ended
Jun. 30, 2024

Basis of Presentation [Abstract]

Basis of Presentation

Note 1. Basis of Presentation

Standard Motor Products, Inc. and its subsidiaries (referred to hereinafter in these notes to the consolidated financial statements as "we," "us," "our," "SMP," or the "Company") is a leading manufacturer and distributor of premium replacement parts in the automotive aftermarket, and a custom-engineered solutions provider to vehicle and equipment manufacturers in diverse non-aftermarket end markets. Our automotive aftermarket is comprised of two segments, Vehicle Control and Temperature Control, while our Engineered Solutions segment offers a broad array of conventional and future-oriented technologies in markets for commercial and light vehicles, construction, agriculture, power sports, marine, hydraulics and lawn and garden. We sell our products primarily to retailers, warehouse distributors, original equipment manufacturers and original equipment service part operations in the United States, Canada, Europe, Asia, Mexico and other Latin American countries.

The accompanying unaudited financial information should be read in conjunction with the audited consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023. The unaudited consolidated financial statements include our accounts and all domestic and international companies in which we have more than a 50% equity ownership, except in instances where the minority shareholder maintains substantive participating rights, in which case we follow the equity method of accounting. In instances where we have more than a 50% equity ownership and the minority shareholder does not maintain substantive participating rights, our consolidated financial statements include the accounts of the company on a consolidated basis with its net income and equity reported at amounts attributable to both our equity position and that of the noncontrolling interest. Investments in unconsolidated affiliates are accounted for on the equity method, as we do not have a controlling financial interest but have the ability to exercise significant influence. All significant inter-company items have been eliminated.

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. The results of operations for the interim periods are not necessarily indicative of the results of operations for the entire year.

Reclassification

Certain prior period amounts in the accompanying consolidated financial statements and related notes have been reclassified to conform to the 2024 presentation.

Summary of Significant Accounting Policies

Summary of Significant Accounting Policies [Abstract]

Summary of Significant Accounting Policies

6 Months Ended Jun. 30, 2024

Note 2. Summary of Significant Accounting Policies

The preparation of consolidated annual and quarterly financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of our consolidated financial statements, and the reported amounts of revenue and expenses during the reporting periods. We have made a number of estimates and assumptions in the preparation of these consolidated financial statements. We can give no assurance that actual results will not differ from those estimates. Although we do not believe that there is a reasonable likelihood that there will be a material change in the future estimates, or in the assumptions that we use in calculating the estimates, the uncertain future effects, if any, of disruptions in the supply chain caused by geo-political risks, future increases in interest rates, inflation, macroeconomic uncertainty, and other unforeseen changes in the industry, or business, could materially impact the estimates, and may have a material adverse effect on our business, financial condition and results of operations. Some of the more significant estimates include allowances for expected credit losses, cash discounts, valuation of inventory, valuation of long-lived assets, goodwill and other intangible assets, depreciation and amortization of long-lived assets, product liability exposures, asbestos, environmental and litigation matters, valuation of deferred tax assets, share based compensation and sales returns and other allowances.

There have been no material changes to our critical accounting policies and estimates from the information provided in Note 1 of the notes to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2023.

Recently Issued Accounting Pronouncements

Standards not yet adopted as of June 30, 2024

Standard	Description	Effective date	Effects on the financial statements or other significant matters
ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*	ASU 2023-07 will improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses on an interim and annual basis. ASU 2023-07 expands segment disclosures by requiring disclosure of (1) significant segment expenses that are regularly provided to the chief operating decision maker (“CODM”) and	The ASU is effective for the fiscal years beginning after December 15, 2023, which for us is December 31, 2024, and all subsequent interim periods, with full retrospective application required to all prior periods presented. Early adoption is permitted.	The new standard will require expanding our segment disclosure to include additional segment level information. We are currently evaluating the full impact of adopting ASU 2023-07 on our consolidated financial statements, disclosures, processes and controls. On an ongoing basis, we will continue to

	included within each reported measure of segment profit or loss; (2) the amount and description of the composition of other segment items to reconcile to segment profit and loss; and (3) the CODM's title and position and how the CODM uses the reported segment measures to allocate resources. Additionally, ASU 2023-07 requires interim disclosures of all reportable segment profit or loss and assets previously required annually by Topic 280.		assess the impact of the new standard through our planned date of adoption of December 31, 2024.
ASU 2023-09, *Income Taxes (Topic 270): Improvements to Income Tax Disclosures*	ASU 2023-09 will improve transparency and decision making usefulness of income tax disclosures. ASU 2023-09 will expand the annual required effective income tax rate reconciliation disclosures to include (1) eight specific categories of rate reconciling items; (2) additional information for reconciling items that meet or exceed a quantitative threshold; and (3) expand the required disclosures to include reconciling percentages as well as reported amounts. Additionally, the ASU 2023-09 will expand required annual disclosures of income taxes paid to include the disaggregation by federal, state and foreign jurisdictions.	The ASU is effective for annual reporting periods beginning after December 15, 2024, which for us is December 31, 2025, with prospective application. Early adoption and retrospective application are permitted.	The new standard will require expanding our annual income tax disclosures in our financial statements. We are currently evaluating the full impact of adopting ASU 2023-09 on our consolidated financial statements, disclosures, processes and controls. On an ongoing basis, we will continue to assess the impact of the new standard through our planned date of adoption of December 31, 2025.

We have reviewed all other recently issued accounting pronouncements and concluded they were either not applicable or not expected to have a material impact on the Company's consolidated financial statements.

Business Acquisitions and Investments

Business Acquisitions and Investments [Abstract]

Business Acquisitions and Investments

6 Months Ended Jun. 30, 2024

Note 3. Business Acquisitions and Investments

Investment in Foshan GWO YNG SMP Vehicle Climate Control & Cooling Products Co. Ltd.

In April 2014, we formed Foshan GWO YNG SMP Vehicle Climate Control & Cooling Products Co. Ltd. ("Gwo Yng"), a 50/50 joint venture with Gwo Yng Enterprise Co., Ltd., a China-based manufacturer of air conditioner accumulators, filter driers, hose assemblies and switches. We acquired our 50% interest in the joint venture for approximately $14 million. In March 2018, we acquired an additional 15% equity interest in the joint venture for Chinese yuan renminbi 26,475,583 (approximately $4.2 million), thereby increasing our equity interest in the joint venture to 65%. While we increased our equity interest in the joint venture to 65%, the minority shareholder maintained substantive participating rights that allowed it to participate in certain significant financial and operating decisions that occur in the ordinary course of business. As a result, we continued to account for our investment in the joint venture under the equity method of accounting.

In July 2023, we acquired an additional 15% equity interest in the joint venture for Chinese yuan renminbi 27,378,290 (approximately $4 million), thereby increasing our equity interest in Gwo Yng to 80%. In connection with the transaction, we amended and restated the charter documents of Gwo Yng to remove all minority shareholder substantive participating rights, giving SMP control of Gwo Yng. As a result, as of the closing date of the transaction, Gwo Yng was accounted for as a business combination achieved in stages ("a step acquisition"). Accordingly, commencing on the closing of the transaction, we reported the results of Gwo Yng on a consolidated basis with the minority ownership interest reported as a noncontrolling interest.

The following table summarizes the allocation of the total step acquisition purchase consideration to the identifiable assets acquired and liabilities assumed based on their fair values (in thousands):

Total purchase consideration (a)		$ 21,725
Assets acquired and liabilities assumed:		
Cash and cash equivalents	$ 6,779	
Receivables	5,912	
Inventory	5,945	
Other current assets	528	
Property, plant and equipment, net	2,924	
Operating lease right-of-use assets	4,372	
Intangible assets (b)	532	
Goodwill	2,208	
Long term investments and other assets	7,257	
Current liabilities	(6,004)	
Noncurrent operating lease liabilities	(3,455)	
Subtotal		26,998
Fair value of acquired noncontrolling interest		(5,273)
Total purchase consideration allocated to net assets acquired		$ 21,725

(a) Total purchase consideration is the sum of the fair value of the previously held equity investment interest in Gwo Yng of $17.7 million and the cash paid of $4 million for the acquisition of the additional 15% equity ownership interest.

(b) Intangible assets consists of customer relationships of $0.4 million and capitalized software of $0.1 million.

Intangible assets of $0.4 million consisting of customer relationships is amortized on a straight-line basis over the estimated useful life of 10 years. Goodwill of $2.2 million was allocated to the Temperature Control and Engineered Solutions segments in the amounts of $1.2 million and $1 million, respectively. The goodwill reflects relationships, business specific knowledge and the replacement cost of an assembled workforce associated with personal reputations

Restructuring and Integration Expenses	6 Months Ended Jun. 30, 2024
Restructuring and Integration Expenses [Abstract]	
Restructuring and Integration Expenses	

Note 4. Restructuring and Integration Expenses

Voluntary Retirement Incentive Program

During the quarter we offered a voluntary retirement incentive package of severance and other benefit enhancements to eligible employees in the United States and Canada as part of our commitment to optimizing our cost structure and providing professional development opportunities to our employees. The offer period ended on June 14, 2024. Costs primarily comprise of compensation expense and enhanced medical benefits and are charged to restructuring and integration expenses in our statement of operations as a one-time termination benefit either when the employee accepted the offer or over their remaining period of service based on the agreed retirement date. We anticipate that the Voluntary Retirement Incentive Program will be substantially complete by the end of 2027. Additional pre-tax restructuring costs related to the program are expected to be $3.1 million in the remainder of 2024, $0.4 million in 2025, and $0.1 million in 2026 for an aggregate cost of approximately $6.2 million.

Activity for the six months ended June 30, 2024 related to the voluntary retirement incentive program workforce reduction consisted of the following (in thousands):

Exit activity liability at December 31, 2023	$ —
Restructuring and integration costs:	
Amounts provided for during 2024 (a)	2,589
Stock-based compensation	166
Cash payments	(128)
Exit activity liability at June 30, 2024	$ 2,627

(a) Restructuring and integration expenses incurred during the six months ended June 30, 2024 consist of $1.1 million in our Vehicle Control segment, $0.2 million in our Temperature Control segment, $0.4 million in our Engineered Solutions segment and $0.9 million in our Other segment.

Cost Reduction Initiative

During the fourth quarter of 2022, to further our ongoing efforts to improve operating efficiencies and reduce costs, we announced plans for a reduction in our sales force, and initiated plans to relocate certain product lines from our Independence, Kansas manufacturing facility and from our St. Thomas, Canada manufacturing facility to our manufacturing facilities in Reynosa, Mexico. We anticipate that the Cost Reduction Initiative will be substantially completed by the end of 2024. Additional restructuring costs related to the initiative are expected to be immaterial.

Activity for the six months ended June 30, 2024 related to the cost reduction initiative consisted of the following (in thousands):

	Workforce Reduction	Other Exit Costs	Total
Exit activity liability at December 31, 2023	$ 1,729	$ —	$ 1,729
Restructuring and integration costs:			
Amounts provided for during 2024 (a)	(46)	208	162
Cash payments	(949)	(208)	(1,157)

Foreign currency exchange rate changes	(24)	—	(24)
Exit activity liability at June 30, 2024	$ 710	$ —	$ 710

(a) Restructuring and integration expenses incurred during the six months ended June 30, 2024 consist of $52,000 in our Vehicle Control segment, $75,000 in our Temperature Control segment and $35,000 in our Engineered Solutions segment.

Restructuring and integration activities are included within “sundry payables and accrued expenses” and “other accrued liabilities” in the consolidated balance sheet.

Sale of Receivables	6 Months Ended Jun. 30, 2024
Sale of Receivables [Abstract]	
Sale of Receivables	

Note 5. Sale of Receivables

We are party to several supply chain financing arrangements, in which we may sell certain of our customers' trade accounts receivable to such customers' financial institutions. We sell our undivided interests in certain of these receivables at our discretion when we determine that the cost of these arrangements is less than the cost of servicing our receivables with existing debt. Under the terms of the agreements, we retain no rights or interest, have no obligations with respect to the sold receivables, and do not service the receivables after the sale. As such, these transactions are accounted for as a sale.

Pursuant to these agreements, we sold $230.1 million and $400.9 million of receivables during the three and six months ended June 30, 2024, respectively, and $211.6 million and $382.5 million for the comparable periods in 2023. Receivables presented at financial institutions and not yet collected as of June 30, 2024 and December 31, 2023 were approximately $14.4 million and $4.5 million, respectively, and remained in our accounts receivable balance as of that date. All receivables sold were reflected as a reduction of accounts receivable in the consolidated balance sheet at the time of sale. A charge in the amount of $13.4 million and $23.4 million related to the sale of receivables was included in selling, general and administrative expense in our consolidated statements of operations for the three and six months ended June 30, 2024, respectively, and $12.4 million and $21.5 million for the comparable periods in 2023.

To the extent that these arrangements are terminated, our financial condition, results of operations, cash flows and liquidity could be adversely affected by extended payment terms, or delays or failures in collecting trade accounts receivable. The utility of the supply chain financing arrangements also depends upon a benchmark reference rate for the purpose of determining the discount rate applicable to each arrangement. If the benchmark reference rate increases significantly, we may be negatively impacted as we may not be able to pass these added costs on to our customers, which could have a material and adverse effect upon our financial condition, results of operations and cash flows.

Inventories

Inventories [Abstract]

Inventories

6 Months Ended
Jun. 30, 2024

Note 6. Inventories

Inventories, which are stated at the lower of cost (determined by means of the first-in, first-out method) and net realizable value, consist of the following:

	June 30, 2024	December 31, 2023
	(In thousands)	
Finished goods	$310,310	$ 302,557
Work in process	15,094	18,503
Raw materials	182,779	186,015
Subtotal	508,183	507,075
Unreturned customer inventories	18,119	18,240
Total inventories	$526,302	$ 525,315

Acquired Intangible Assets	6 Months Ended Jun. 30, 2024
Acquired Intangible Assets [Abstract]	
Acquired Intangible Assets	

Note 7. Acquired Intangible Assets

Acquired identifiable intangible assets consist of the following:

	June 30, 2024	December 31, 2023
	(In thousands)	
Customer relationships	$ 159,824	$ 159,641
Patents, developed technology and intellectual property	14,123	14,123
Trademarks and trade names	8,880	8,880
Non-compete agreements	3,308	3,295
Supply agreements	800	800
Leaseholds	160	160
Total acquired intangible assets	187,095	186,899
Less: Accumulated amortization (a)	(100,379)	(95,681)
Net acquired intangible assets	$ 86,716	$ 91,218

(a) Applies to all intangible assets, except for trademarks and trade names totaling $2.6 million, which have indefinite useful lives and, as such, are not being amortized.

Total amortization expense for acquired intangible assets was $2.1 million and $4.3 million for the three and six months ended June 30, 2024, respectively, and $2.1 million and $4.3 million for the comparable periods in 2023. Based on the current estimated useful lives assigned to our intangible assets, amortization expense is estimated to be $4.1 million for the remainder of 2024, $8.5 million in 2025, $8.5 million in 2026, $8.5 million in 2027 and $54.5 million in the aggregate for the years 2028 through 2041.

Leases	6 Months Ended Jun. 30, 2024
Leases [Abstract]	
Leases	

Note 8. Leases

We have operating and finance leases for our manufacturing facilities, warehouses, office space, automobiles, and certain equipment. Our leases have remaining lease terms of up to ten years, some of which may include one or more five-year renewal options. We have not included any of the renewal options in our operating lease payments as we concluded that it is not reasonably certain that we will exercise any of these renewal options. Leases with an initial term of twelve months or less are not recorded on the balance sheet. Operating lease expense is recognized on a straight-line basis over the lease term. Finance leases are not material.

The following tables provide quantitative disclosures related to our operating leases and include all operating leases acquired from the date of acquisition (in thousands):

Balance Sheet Information	**June 30, 2024**	**December 31, 2023**
Assets		
Operating lease right-of-use assets	$ 99,121	$ 100,065
Liabilities		
Sundry payables and accrued expenses	$ 17,212	$ 17,139
Noncurrent operating lease liabilities	88,820	88,974
Total operating lease liabilities	$ 106,032	$ 106,113
Weighted Average Remaining Lease Term	8.1 Years	8.3 Years
Weighted Average Discount Rate	4.9%	4.8%

	Three Months Ended June 30,		**Six Months Ended June 30,**	
Lease Expense	**2024**	**2023**	**2024**	**2023**
Lease expense	$ 4,852	$ 3,776	$ 9,672	$ 6,885
Variable and other lease expense (a)	628	511	1,408	1,283
Total lease costs	$ 5,480	$ 4,287	$ 11,080	$ 8,168

(a) Variable and other lease expense relate to non-lease components such as maintenance, property taxes, etc., and operating lease expense for leases with an initial term of 12 months or less which are not material.

	Six Months Ended June 30,	
	2024	**2023**
Supplemental Cash Flow Information		
Cash paid for the amounts included in the measurement of lease liabilities	$ 8,801	$ 5,476
Right-of-use assets obtained in exchange for new lease obligations (a)	$ 6,674	$ 30,830

(a) Includes $4.7 million of right-of-use assets related to the lease modification and extension for our manufacturing facility in Bialystok, Poland during the six months ended June 30, 2024, and $27.8 million of right-of-use assets related to the lease modification and extension for our distribution center and office in Lewisville, Texas during the six months ended June 30, 2023.

Minimum Lease Payments

At June 30, 2024, we are obligated to make minimum lease payments through 2034, under operating leases, which are as follows (in thousands):

2024	$ 9,344
2025	16,919
2026	15,554
2027	14,317
2028	12,605
Thereafter	62,086
Total lease payments	$ 130,825
Less: Interest	(24,793)
Present value of lease liabilities	$ 106,032

Credit Facilities and Long-Term Debt

Credit Facilities and Long-Term Debt [Abstract]

Credit Facilities and Long-Term Debt

6 Months Ended Jun. 30, 2024

Note 9. Credit Facilities and Long-Term Debt

Total debt outstanding is summarized as follows:

	June 30, 2024	December 31, 2023
	(In thousands)	
Credit facility – term loan due 2027	$ 90,000	$ 92,500
Credit facility – revolver due 2027	118,000	63,500
Other	192	211
Total debt	$208,192	$ 156,211
Current maturities of debt	$ 5,030	$ 5,029
Long-term debt	203,162	151,182
Total debt	$208,192	$ 156,211

Term Loan and Revolving Credit Facility

In June 2022, the Company entered into a five-year Credit Agreement with JPMorgan Chase Bank, N.A., as administrative agent, and a syndicate of lenders (the "Credit Agreement") which matures on June 1, 2027. The Credit Agreement provides for a $500 million credit facility comprised of a $100 million term loan facility (the "Term A-1 Loan") and a $400 million multi-currency revolving credit facility available in U.S. dollars, euros, British pound sterling, Swiss francs, Canadian dollars and other currencies as agreed to by the administrative agent and the lenders (the "revolving facility"). The revolving facility has a $25 million sub-limit for the issuance of letters of credit and a $25 million sub-limit for the borrowing of swingline loans.

Borrowings under the Credit Agreement were used to repay all outstanding borrowings under the 2015 Credit Agreement, and are used for other general corporate purposes of the Company and its subsidiaries. The Term A-1 Loan amortizes in quarterly installments of 1.25% in each of the first four years, and quarterly installments of 2.5% in the fifth year. The Company may request up to two one-year extensions of the maturity date.

The Company may, upon the agreement of one or more then existing lenders or of additional lenders not currently party to the Credit Agreement, increase the revolving facility or obtain incremental term loans by an aggregate amount not to exceed (x) the greater of (i) $168 million or (ii) 100% of consolidated EBITDA (as defined in the Credit Agreement) for the four fiscal quarters ended most recently before such date, plus (y) any voluntary prepayment of term loans, plus (z) any amount that, after giving effect to the increase, the pro forma First Lien Net Leverage Ratio (as defined in the Credit Agreement) does not exceed 2.5 to 1.0.

Term loan and revolver facility borrowings in U.S. dollars bear interest, at the Company's election, at a rate per annum equal to Term Secured Overnight Financing Rate ("SOFR") plus 0.10% plus a margin, or an alternate base rate plus a margin, where the alternate base rate is the greater of the prime rate, the federal funds effective rate plus 0.50%, and one-month Term SOFR plus 1.10%. The Term A-1 Loan was made at one-month Term SOFR. The margin for benchmark borrowings ranges from 1.0% to 2.0%, and the margin for alternate base rate borrowings ranges from 0% to 1.0%, in each case, based on the total net leverage ratio of the Company and its restricted subsidiaries. The Company may select interest periods of one, three or six months for

Term SOFR borrowings. Interest is payable at the end of the selected interest period, but no less frequently than quarterly.

The Company's obligations under the Credit Agreement are guaranteed by its material domestic subsidiaries (each, a "Guarantor"), and secured by a first priority perfected security interest in substantially all of the existing and future personal property of the Company and each Guarantor, subject to certain exceptions. The collateral security described above also secures certain banking services obligations and interest rate swaps and currency or other hedging obligations of the Company owing to any of the then existing lenders or any affiliates thereof. The Company entered into an interest rate swap agreement with Wells Fargo Bank, N.A., Co-Syndication Agent and lender concurrently with the Credit Agreement.

Outstanding borrowings at June 30, 2024 under the Credit Agreement were $208 million, consisting of current borrowings of $5 million and long-term debt of $203 million; while outstanding borrowings at December 31, 2023 were $156 million, consisting of current borrowings of $5 million and long-term debt of $151 million. Letters of credit outstanding under the Credit Agreement were $2.3 million at both June 30, 2024 and December 31, 2023.

At June 30, 2024, the weighted average interest rate under our Credit Agreement was 5.7%, which consisted of $208 million in borrowings under Term SOFR, adjusted for the impact of the interest rate swap agreement on $100 million of borrowings. At December 31, 2023, the weighted average interest rate under our Credit Agreement was 5%, which consisted of $156 million in borrowings at 5% under Term SOFR, adjusted for the impact of the interest rate swap agreement on $100 million of borrowings. During the six months ended June 30, 2024, our average daily alternative base rate loan balance was $1 million, compared to a balance of $0.2 million for the six months ended June 30, 2023 and a balance of $0.1 million for the year ended December 31, 2023.

The Credit Agreement contains customary covenants limiting, among other things, the incurrence of additional indebtedness, the creation of liens, mergers, consolidations, liquidations and dissolutions, sales of assets, dividends and other payments in respect of equity interests, acquisitions, investments, loans and guarantees, subject, in each case, to customary exceptions, thresholds and baskets. The Credit Agreement also contains customary events of default.

In May 2024, the Company entered into Amendment No. 1 to the Credit Agreement to transition from the Canadian Dollar Offered Rate ("CDOR") to the Canadian Overnight Repo Rate Average ("CORRA") for benchmark borrowings denominated in Canadian dollars.

In July 2024, the Company entered into Amendment No. 2 to the Credit Agreement, to provide for a new $125 million term loan (the "Term A-2 Loan") and the use of funds available under the existing revolving facility to finance the acquisition of AX V Nissens III APS and its subsidiaries ("Nissens Automotive") and related transaction costs. For additional information on our agreement to acquire Nissens Automotive see Note 19, "Subsequent Event". The Term A-2 Loan matures five years after it is funded on the closing of the acquisition, and amortizes in quarterly installments of 1.25% in each of the first and second year, quarterly installments of 1.875% in the third year, and quarterly installments of 2.50% in each of the fourth and fifth year.

Polish Overdraft Facility

In November 2023, our Polish subsidiary, SMP Poland sp. z.o.o., further amended its overdraft facility with HSBC Continental Europe (Spolka Akcyjna) Oddzial w Polsce. The overdraft facility, as amended, provides for borrowings under the facility in euros and U.S. dollars. Under the amended terms, the overdraft facility provides for borrowings of up to Polish zloty 30 million (approximately $7.5 million) if borrowings are solely in Polish zloty, or up to 85% of the Polish zloty 30 million limit (approximately $6.4 million) if borrowings are in euros and/or U.S. dollars. The overdraft facility had an original maturity date in March 2024, with automatic three-month renewals until June 2027, subject to cancellation by either party, at its sole discretion, at least 30 days prior to the commencement of the three-month renewal period. The facility automatically

renewed in June 2024 to a September 2024 maturity date. Borrowings under the amended overdraft facility will bear interest at a rate equal to (1) the one month Warsaw Interbank Offered Rate ("WIBOR") + 1.0% for borrowings in Polish zloty, (2) the one month Euro Interbank Offered Rate ("EURIBOR") + 1.0% for borrowings in euros, and (3) the Mid-Point of the Fed Target Range + 1.25% for borrowings in U.S. dollars. Borrowings under the overdraft facility are guaranteed by Standard Motor Products, Inc., the ultimate parent company. There were no borrowings outstanding under the overdraft facility at both June 30, 2024 and December 31, 2023.

Maturities of Debt

As of June 30, 2024, maturities of debt through 2027, assuming no prepayments, are as follows (in thousands):

	Revolving Credit Facility	Term A-1 Loan	Polish Overdraft Facility and Other Debt	Total
Remainder of 2024	$ —	$ 2,500	$ 14	$ 2,514
2025	—	5,000	31	5,031
2026	—	7,500	47	7,547
2027	118,000	75,000	100	193,100
Total	$ 118,000	$ 90,000	$ 192	$208,192
Less: current maturities	—	(5,000)	(30)	(5,030)
Long-term debt	$ 118,000	$ 85,000	$ 162	$203,162

Deferred Financing Costs

We have deferred financing costs related to our term loan and revolving credit facilities of approximately $1.3 million and $1.6 million as of June 30, 2024 and December 31, 2023, respectively. Deferred financing costs as of June 30, 2024, assuming no prepayments, are being amortized in the amounts of $0.2 million for the remainder of 2024, $0.5 million in 2025, $0.5 million in 2026 and $0.1 million in 2027.

Accumulated Other Comprehensive Income Attributable to SMP

6 Months Ended

Jun. 30, 2024

Accumulated Other Comprehensive Income Attributable to SMP [Abstract]
Accumulated Other Comprehensive Income Attributable to SMP

Note 10. Accumulated Other Comprehensive Income Attributable to SMP

Changes in Accumulated Other Comprehensive Income by Component (in thousands)

	Three Months Ended June 30, 2024			
	Foreign Currency Translation	Unrealized derivative gains (losses)	Unrecognized Postretirement Benefit Costs (Credit)	Total
Balance at March 31, 2024	$ (10,117)	$ 4,290	$ 21	$ (5,806)
Other comprehensive income (loss) before reclassifications	(3,733)	573(a)	—	(3,160)
Amounts reclassified from accumulated other comprehensive income	—	(494)	(2)	(496)
Other comprehensive income (loss), net	(3,733)	79	(2)	(3,656)
Balance at June 30, 2024	$ (13,850)	$ 4,369	$ 19	$ (9,462)

	Six Months Ended June 30, 2024			
	Foreign Currency Translation	Unrealized derivative gains (losses)	Unrecognized Postretirement Benefit Costs (Credit)	Total
Balance at December 31, 2023	$ (8,897)	$ 2,899	$ 24	$ (5,974)
Other comprehensive income (loss) before reclassifications	(4,953)	2,461(a)	—	(2,492)
Amounts reclassified from accumulated other comprehensive income	—	(991)	(5)	(996)
Other comprehensive income (loss), net	(4,953)	1,470	(5)	(3,488)
Balance at June 30, 2024	$ (13,850)	$ 4,369	$ 19	$ (9,462)

(a) Consists of the unrecognized gain relating to the change in fair value of the cash flow interest rate hedge of $0.1 million ($0.1 million, net of tax) and $2 million ($1.5 million, net of tax) in the three and six months ended June 30, 2024, respectively, and cash settlement receipts of $0.7 million ($0.5 million, net of tax) and $1.3 million ($1 million, net of tax) in the three and six months ended June 30, 2024, respectively.

Reclassifications Out of Accumulated Other Comprehensive Income (in thousands)

	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024

Derivative cash flow hedge:		
Unrecognized loss (a)	$ (668)	$ (1,339)
Postretirement benefit plans:		
Unrecognized loss (b)	(4)	(9)
Total before income tax	(672)	(1,348)
Income tax benefit	(176)	(352)
Total reclassifications attributable to SMP	$ (496)	$ (996)

(a) Unrecognized accumulated other comprehensive income (loss) related to the cash flow interest rate hedge is reclassified to earnings and reported as part of interest expense in our consolidated statements of operations when the interest payments on the underlying borrowings are recognized.

(b) Unrecognized accumulated other comprehensive income (loss) related to our postretirement benefit plans is reclassified to earnings and included in the computation of net periodic postretirement benefit costs, which are included in other non-operating income, net in our consolidated statements of operations (see Note 12, “Employee Benefits,” for additional information).

Stock-Based Compensation Plans	6 Months Ended Jun. 30, 2024
Stock-Based Compensation Plans [Abstract]	
Stock-Based Compensation Plans	

Note 11. Stock-Based Compensation Plans

We account for our stock-based compensation plans in accordance with the provisions of FASB ASC 718, *Stock Compensation*, which requires that a company measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. The cost is recognized in the consolidated statement of operations over the period during which an employee is required to provide service in exchange for the award.

Restricted and Performance Stock Grants

We are authorized to issue, among other things, shares of restricted and performance-based stock to eligible employees and restricted stock to directors of up to 2,050,000 shares under the Amended and Restated 2016 Omnibus Incentive Plan ("Plan"). Shares issued under the Plan that are cancelled, forfeited or expire by their terms are eligible to be granted again under the Plan.

As part of the Plan, we currently grant shares of restricted stock to eligible employees and our independent directors and performance-based shares to eligible employees. We grant eligible employees two types of restricted stock (standard restricted shares and long-term retention restricted shares). Standard restricted shares granted to employees become fully vested no earlier than three years after the date of grant. Long-term retention restricted shares granted to selected executives vest at a 25% rate on or within approximately two months of an executive reaching the ages 60 and 63, and become fully vested on or within approximately two months of an executive reaching the age 65. Restricted shares granted to directors become fully vested upon the first anniversary of the date of grant.

Performance-based shares issued to eligible employees are subject to a three-year measuring period and the achievement of performance targets and, depending upon the achievement of such performance targets, they may become vested no earlier than three years after the date of grant. Each period we evaluate the probability of achieving the applicable targets, and we adjust our accrual accordingly. Restricted shares (other than long-term retention restricted shares) and performance shares issued to certain key executives and directors are subject to a one or two year holding period upon the lapse of the vesting period. Forfeitures on stock grants are estimated at 5% for employees and 0% for executives and directors based on our evaluation of historical and expected future turnover.

Our restricted and performance-based share activity was as follows for the six months ended June 30, 2024:

	Shares	Weighted Average Grant Date Fair Value Per Share
Balance at December 31, 2023	880,976	$ 29.48
Granted	6,775	27.64
Vested	(35,609)	28.77
Forfeited	(29,225)	29.86
Balance at June 30, 2024	822,917	$ 29.48

We recorded compensation expense related to restricted shares and performance-based shares of $3 million ($2.3 million, net of tax) and $3.2 million ($2.4 million, net of tax) for the six months ended June 30, 2024 and 2023, respectively. The unrecognized compensation expense related to

our restricted and performance-based shares was $9.9 million at June 30, 2024, and is expected to be recognized as they vest over a weighted average period of 3.67 years and 0.83 years for employees and directors, respectively.

Employee Benefits	6 Months Ended Jun. 30, 2024
Employee Benefits [Abstract]	
Employee Benefits	

Note 12. Employee Benefits

We provide certain medical and dental care benefits to 13 former U.S. union employees. The postretirement medical and dental benefit obligation to the former union employees as of June 30, 2024, and the related net periodic benefit cost for the plan for the three and six months ended June 30, 2024 and 2023 were not material.

We maintain a defined contribution Supplemental Executive Retirement Plan for key employees. Under the plan, these employees may elect to defer a portion of their compensation and, in addition, we may at our discretion make contributions to the plan on behalf of the employees. In March 2024, we made company contributions to the plan of $0.5 million related to calendar year 2023.

We also have an Employee Stock Ownership Plan and Trust for employees who are not covered by a collective bargaining agreement. In connection therewith, we maintain an employee benefits trust to which we contribute shares of treasury stock. We are authorized to instruct the trustees to distribute such shares toward the satisfaction of our future obligations under the plan. The shares held in trust are not considered outstanding for purposes of calculating earnings per share until they are committed to be released. The trustees will vote the shares in accordance with their fiduciary duties. During the six months ended June 30, 2024, we contributed to the trust an additional 68,700 shares from our treasury and released 68,700 shares from the trust leaving 200 shares remaining in the trust as of June 30, 2024.

Derivative Financial Instruments	6 Months Ended Jun. 30, 2024
Derivative Financial Instruments [Abstract]	
Derivative Financial Instruments	

Note 13. Derivative Financial Instruments

Interest Rate Swap Agreements

We occasionally use derivative financial instruments to reduce our market risk for changes in interest rates on our variable rate borrowings. The principal financial instruments used for cash flow hedging purposes are interest rate swap agreements. The interest rate swaps effectively convert a portion of our variable rate borrowings under our existing facilities to a fixed rate based upon determined notional amount. We do not enter into interest rate swap agreements, or other financial instruments, for trading or speculative purposes.

In June 2022, we entered into a seven year interest rate swap agreement with a notional amount of $100 million that is to mature in May 2029. The interest rate swap agreement has been designated as a cash flow hedge of interest payments on $100 million of borrowings under our Credit Agreement. Under the terms of the swap agreement, we will receive monthly variable interest payments based on one month Term SOFR and will pay interest based upon a fixed rate of 2.683% per annum.

The fair value of the interest rate swap agreement as of June 30, 2024 and December 31, 2023 was an asset of $5.9 million and $3.9 million, respectively, which has been deferred and recorded in accumulated other comprehensive income, net of income taxes, in our consolidated balance sheet. When the interest expense on the underlying borrowing is recognized, the deferred gain/ loss in accumulated other comprehensive income is recorded in earnings as interest expense in the consolidated statements of operations. We perform quarterly hedge effectiveness assessments, and anticipate that the interest rate swap will be highly effective throughout its term.

Fair Value Measurements	6 Months Ended Jun. 30, 2024
Fair Value Measurements [Abstract]	
Fair Value Measurements	

Note 14. Fair Value Measurements

We follow a three-level fair value hierarchy that prioritizes the inputs to measure fair value. This hierarchy requires entities to maximize the use of "observable inputs" and minimize the use of "unobservable inputs." The three levels of inputs used to measure fair value are as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect assumptions that market participants would use in pricing an asset or liability.

The following is a summary of the estimated fair values, carrying amounts, and classification under the fair value hierarchy of our financial instruments at June 30, 2024 and December 31, 2023 (in thousands):

		June 30, 2024		December 31, 2023	
	Fair Value Hierarchy Level	Fair Value	Carrying Amount	Fair Value	Carrying Amount
Cash and cash equivalents (a)	1, 2	$ 26,156	$ 26,156	$ 32,526	$ 32,526
Deferred compensation	1	25,799	25,799	23,893	23,893
Short term borrowings	2	5,030	5,030	5,029	5,029
Long-term debt	2	203,162	203,162	151,182	151,182
Cash flow interest rate swap	2	5,926	5,926	3,939	3,939
Long-term investments	2	7,573	7,573	7,468	7,468

(a) As of June 30, 2024 cash and cash equivalents consist solely of cash of $26.2 million, which is classified as Level 1 under the fair value hierarchy. As of December 31, 2023 cash and cash equivalents consist of cash of $29.5 million and cash equivalents of $3 million, which are classified as Level 1 and Level 2, respectively, under the fair value hierarchy.

Cash equivalents consist of certificates of deposit with original maturities of three months, or less. These securities are accounted for as held-to-maturity and recorded at amortized cost, which approximates their fair values at June 30, 2024. The fair value of the underlying assets held by the deferred compensation plan are based on the quoted market prices of the underlying funds which are held by registered investment companies. The carrying value of our variable rate short-term borrowings and long-term debt under our credit facilities approximates fair value as the variable interest rates in the facilities reflect current market rates. The fair value of our cash flow interest rate swap agreement is obtained from an independent third party, is based upon market quotes, and represents the net amount required to terminate the interest rate swap, taking into consideration market rates and counterparty credit risk. Long-term investments consist of certificates of deposit with original maturities in excess of twelve months. These securities are accounted for as held-to-maturity and recorded at amortized cost, which approximates their fair values at June 30, 2024.

Earnings Per Share

6 Months Ended Jun. 30, 2024

Earnings Per Share [Abstract]

Earnings Per Share

Note 15. Earnings Per Share

The following are reconciliations of the net earnings attributable to SMP and the shares used in calculating basic and dilutive net earnings per common share attributable to SMP (in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net earnings (loss) attributable to SMP				
Continuing operations	$ 17,980	$ 18,358	$ 27,843	$ 31,056
Discontinued operations	(917)	(9,221)	(1,956)	(10,001)
Net earnings attributable to SMP	$ 17,063	$ 9,137	$ 25,887	$ 21,055
Basic net earnings (loss) per common share attributable to SMP				
Continuing operations	$ 0.83	$ 0.85	$ 1.27	$ 1.43
Discontinued operations	$ (0.05)	$ (0.43)	$ (0.09)	$ (0.46)
Diluted net earnings (loss) per common share attributable to SMP				
Continuing operations	$ 0.81	$ 0.83	$ 1.25	$ 1.40
Discontinued operations	$ (0.04)	$ (0.42)	$ (0.09)	$ (0.45)
Weighted average common shares outstanding, basic	21,768	21,689	21,846	21,650
Dilutive effect of restricted stock and performance-based stock	418	494	432	490
Weighted average common shares outstanding, diluted	22,186	22,183	22,278	22,140

The shares listed below were not included in the computation of diluted net earnings per common share attributable to SMP because to do so would have been anti-dilutive for the periods presented or because they were excluded under the treasury method (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Restricted and performance-based shares	290	273	286	286

Industry Segments

6 Months Ended
Jun. 30, 2024

Industry Segments [Abstract]
Industry Segments

Note 16. Industry Segments

Our business is organized into three operating segments, *Vehicle Control, Temperature Control and Engineered Solutions,* each of which focuses on a specific line of business. Our automotive aftermarket business is comprised of two operating segments, *Vehicle Control* and *Temperature Control,* while our Engineered Solutions operating segment offers a broad array of conventional and future-oriented technologies.

The following tables show our net sales and operating income for each reportable operating segment (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net Sales (a)				
Vehicle Control	$ 188,741	$ 183,789	$ 374,265	$ 368,366
Temperature Control	124,481	97,074	196,089	169,480
Engineered Solutions	76,607	72,212	150,878	143,257
Other	—	—	—	—
Consolidated	$ 389,829	$ 353,075	$ 721,232	$ 681,103
Operating Income				
Vehicle Control	$ 15,116	$ 19,273	$ 30,656	$ 36,648
Temperature Control	13,197	5,800	15,228	7,884
Engineered Solutions	5,812	6,163	8,044	11,810
Other	(9,139)	(4,058)	(14,323)	(8,418)
Consolidated	$ 24,986	$ 27,178	$ 39,605	$ 47,924

(a) There are no intersegment sales among our Vehicle Control, Temperature Control and Engineered Solutions operating segments.

For the disaggregation of our net sales from contracts with customers by major product group and geographic area within each of our operating segments, see Note 17, “Net Sales.”

Net Sales

6 Months Ended Jun. 30, 2024

Net Sales [Abstract]
Net Sales

Note 17. Net Sales

Disaggregation of Net Sales

We disaggregate our net sales from contracts with customers by major product group and geographic area within each of our segments, as we believe it best depicts how the nature, amount, timing and uncertainty of our net sales are affected by economic factors.

Major Product Group

The Vehicle Control operating segment generates its revenues from core automotive aftermarket sales of ignition, emissions, and fuel delivery, electrical and safety, and wire sets and other product categories. The Temperature Control operating segment generates its revenue from core automotive aftermarket sales of air conditioning system components and other thermal products. The Engineered Solutions operating segment generates revenues from custom-engineered products to vehicle and equipment manufacturers in highly diversified global end-markets such as commercial and light vehicles, construction, agriculture, power sports and marine.

The following table summarizes consolidated net sales by major product group within each operating segment for the three and six months ended June 30, 2024 and 2023 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Vehicle Control				
Engine Management (Ignition, Emissions and Fuel Delivery)	$ 115,529	$ 113,589	$ 231,614	$ 229,672
Electrical and Safety	57,128	52,867	109,535	104,671
Wire Sets and Other	16,084	17,333	33,116	34,023
Total Vehicle Control	188,741	183,789	374,265	368,366
Temperature Control				
AC System Components	99,970	72,730	149,930	123,528
Other Thermal Components	24,511	24,344	46,159	45,952
Total Temperature Control	124,481	97,074	196,089	169,480
Engineered Solutions				
Commercial Vehicle	23,483	20,225	46,391	40,457
Construction/Agriculture	9,473	11,138	19,549	22,830
Light Vehicle	24,686	23,981	46,489	47,000
All Other	18,965	16,868	38,449	32,970
Total Engineered Solutions	76,607	72,212	150,878	143,257
Other	—	—	—	—
Total	$ 389,829	$ 353,075	$ 721,232	$ 681,103

Geographic Area

We sell our line of products primarily in the United States, with additional sales in Canada, Mexico, Europe, Asia and Latin America. Sales are attributed to countries based upon the location of the customer. Our sales are substantially denominated in U.S. dollars.

The following tables provide disaggregation of net sales information by geographic area within each operating segment for the three and six months ended June 30, 2024 and 2023 (in thousands):

Three months ended June 30, 2024	Vehicle Control	Temperature Control	Engineered Solutions	Other	Total
United States	$167,899	$ 117,632	$ 40,949	$ —	$326,480
Canada	8,681	6,585	8,497	—	23,763
Europe	261	35	13,878	—	14,174
Mexico	10,795	4	2,723	—	13,522
Asia	27	154	9,644	—	9,825
Other foreign	1,078	71	916	—	2,065
Total	$188,741	$ 124,481	$ 76,607	$ —	$389,829

Three months ended June 30, 2023	Vehicle Control	Temperature Control	Engineered Solutions	Other	Total
United States	$165,198	$ 92,099	$ 44,565	$ —	$301,862
Canada	8,834	4,926	6,126	—	19,886
Europe	248	—	14,914	—	15,162
Mexico	8,179	18	2,038	—	10,235
Asia	88	—	4,273	—	4,361
Other foreign	1,242	31	296	—	1,569
Total	$183,789	$ 97,074	$ 72,212	$ —	$353,075

Six months ended June 30, 2024	Vehicle Control	Temperature Control	Engineered Solutions	Other	Total
United States	$332,720	$ 182,297	$ 81,403	$ —	$596,420
Canada	17,839	13,217	16,679	—	47,735
Europe	544	51	28,084	—	28,679
Mexico	20,815	9	4,930	—	25,754
Asia	128	295	18,205	—	18,628
Other foreign	2,219	220	1,577	—	4,016
Total	$374,265	$ 196,089	$ 150,878	$ —	$721,232

Six months ended June 30, 2023	Vehicle Control	Temperature Control	Engineered Solutions	Other	Total
United States	$331,610	$ 161,670	$ 88,771	$ —	$582,051
Canada	17,164	7,681	11,364	—	36,209
Europe	446	—	29,998	—	30,444
Mexico	16,766	18	3,806	—	20,590
Asia	150	20	8,327	—	8,497
Other foreign	2,230	91	991	—	3,312
Total	$368,366	$ 169,480	$ 143,257	$ —	$681,103

Commitments and Contingencies	6 Months Ended Jun. 30, 2024
Commitments and Contingencies [Abstract]	
Commitments and Contingencies	

Note 18. Commitments and Contingencies

Asbestos

In 1986, we acquired a brake business, which we subsequently sold in March 1998 and which is accounted for as a discontinued operation in the accompanying statement of operations. When we originally acquired this brake business, we assumed future liabilities relating to any alleged exposure to asbestos-containing products manufactured by the seller of the acquired brake business. In accordance with the related purchase agreement, we agreed to assume the liabilities for all new claims filed on or after September 2001. Our ultimate exposure will depend upon the number of claims filed against us on or after September 2001, and the amounts paid for settlements, awards of asbestos-related damages, and defense of such claims. At June 30, 2024, approximately 1,500 cases were outstanding for which we may be responsible for any related liabilities. Since inception in September 2001 through June 30, 2024, the amounts paid for settled claims and awards of asbestos-related damages, including interest, were approximately $80.3 million. We do not have insurance coverage for the indemnity and defense costs associated with the claims we face.

In evaluating our potential asbestos-related liability, we have considered various factors including, among other things, an actuarial study of the asbestos related liabilities performed by an independent actuarial firm, our settlement amounts and whether there are any co-defendants, the jurisdiction in which lawsuits are filed, and the status and results of such claims. As is our accounting policy, we consider the advice of actuarial consultants with experience in assessing asbestos-related liabilities to estimate our potential claim liability; and perform an actuarial evaluation in the third quarter of each year and whenever events or changes in circumstances indicate that additional provisions may be necessary. The methodology used to project asbestos-related liabilities and costs in our actuarial study considered: (1) historical data available from publicly available studies; (2) an analysis of our recent claims history to estimate likely filing rates into the future; (3) an analysis of our pending claims; (4) an analysis of our settlements and awards of asbestos-related damages to date; and (5) an analysis of closed claims with pay ratios and lag patterns in order to develop average future settlement values. Based on the information contained in the actuarial study and all other available information considered by us, we have concluded that no amount within the range of settlement payments and awards of asbestos-related damages was more likely than any other and, therefore, in assessing our asbestos liability we compare the low end of the range to our recorded liability to determine if an adjustment is required.

In accordance with our policy to perform an annual actuarial evaluation in the third quarter of each year, an actuarial study was performed as of August 31, 2023. The results of the August 31, 2023 study included an estimate of our undiscounted liability for settlement payments and awards of asbestos-related damages, excluding legal costs, ranging from $84 million to $135.3 million for the period through 2065. The change from the prior year study, which was as of August 31,2022, was a $15.2 million increase for the low end of the range and a $23.7 million increase for the high end of the range. The increase in the estimated undiscounted liability from the prior year study at both the low end and high end of the range reflects our actual experience, our historical data and certain assumptions with respect to events that may occur in the future.

Based upon the results of the August 31, 2023 actuarial study, in September 2023 we increased our asbestos liability to $84 million, the low end of the range, and recorded an incremental pre-tax provision of $23.8 million in earnings (loss) from discontinued operations in the accompanying statement of operations. Future legal costs, which are expensed as incurred and

reported in earnings (loss) from discontinued operations in the accompanying statement of operations, are estimated, according to the August 31, 2023 study, to range from $53.1 million to $105.2 million for the period through 2065. Total operating cash outflows related to discontinued operations, which include settlements, awards of asbestos-related damages and legal costs, net of taxes, were $5.2 million and $4.5 million for the six months ended June 30, 2024 and 2023, respectively.

We plan to perform an annual actuarial evaluation during the third quarter of each year for the foreseeable future and whenever events or changes in circumstances indicate that additional provisions may be necessary. Given the uncertainties associated with projecting such matters into the future and other factors outside our control, we can give no assurance that additional provisions will not be required. We will continue to monitor events and changes in circumstances surrounding these potential liabilities in determining whether to perform additional actuarial evaluations and whether additional provisions may be necessary. At the present time, however, we do not believe that any additional provisions would be reasonably likely to have a material adverse effect on our liquidity or consolidated financial position.

Other Litigation

We are currently involved in various other legal claims and legal proceedings (some of which may involve substantial amounts), including claims related to commercial disputes, product liability, employment, and environmental. Although these legal claims and legal proceedings are subject to inherent uncertainties, based on our understanding and evaluation of the relevant facts and circumstances, we believe that the ultimate outcome of these matters will not, either individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations. We may at any time determine that settling any of these matters is in our best interests, which settlement may include substantial payments. Although we cannot currently predict the specific amount of any liability that may ultimately arise with respect to any of these matters, we will record provisions when the liability is considered probable and reasonably estimable. Significant judgment is required in both the determination of probability and the determination as to whether an exposure can be reasonably estimated. As additional information becomes available, we reassess our potential liability related to these matters. Such revisions of the potential liabilities could have a material adverse effect on our business, financial condition or results of operations.

Warranties

We generally warrant our products against certain manufacturing and other defects. These product warranties are provided for specific periods of time of the product depending on the nature of the product. The accrued product warranty costs are based primarily on historical experience of actual warranty claims and included in accrued customer returns.

The following table provides the changes in our product warranties (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Balance, beginning of period	$ 23,092	$ 20,600	$ 21,134	$ 19,667
Liabilities accrued for current year sales	37,003	30,047	65,680	55,840
Settlements of warranty claims	(32,552)	(27,061)	(59,271)	(51,921)
Balance, end of period	$ 27,543	$ 23,586	$ 27,543	$ 23,586

Subsequent Event	6 Months Ended Jun. 30, 2024
Subsequent Event [Abstract]	
Subsequent Event	**Note 19. Subsequent Event**

In July 2024, we entered into an agreement to acquire Nissens Automotive, for €360 million (approximately $388 million) in cash, subject to adjustment at closing. We expect to fund the entire purchase price and related transaction costs with borrowings under our Credit Agreement. For additional information on our Credit Agreement see Note 9, "Credit Facilities and Long-Term Debt". The transaction is expected to be completed by the end of 2024, subject to regulatory approval and customary closing requirements.

Nissens Automotive is a leading European manufacturer and distributor of aftermarket engine cooling and air conditioning products with a growing array of vehicle control technologies. Nissens Automotive is headquartered in Denmark, with manufacturing facilities in Slovakia and Denmark, and warehouses and distribution centers across multiple countries, primarily in Europe. Nissens Automotive employs approximately 530 employees worldwide.

Basis of Presentation (Policies)	6 Months Ended Jun. 30, 2024
Basis of Presentation [Abstract]	
Principles of Consolidation	Standard Motor Products, Inc. and its subsidiaries (referred to hereinafter in these notes to the consolidated financial statements as “we,” “us,” “our,” “SMP,” or the “Company”) is a leading manufacturer and distributor of premium replacement parts in the automotive aftermarket, and a custom-engineered solutions provider to vehicle and equipment manufacturers in diverse non-aftermarket end markets. Our automotive aftermarket is comprised of two segments, Vehicle Control and Temperature Control, while our Engineered Solutions segment offers a broad array of conventional and future-oriented technologies in markets for commercial and light vehicles, construction, agriculture, power sports, marine, hydraulics and lawn and garden. We sell our products primarily to retailers, warehouse distributors, original equipment manufacturers and original equipment service part operations in the United States, Canada, Europe, Asia, Mexico and other Latin American countries. The accompanying unaudited financial information should be read in conjunction with the audited consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023. The unaudited consolidated financial statements include our accounts and all domestic and international companies in which we have more than a 50% equity ownership, except in instances where the minority shareholder maintains substantive participating rights, in which case we follow the equity method of accounting. In instances where we have more than a 50% equity ownership and the minority shareholder does not maintain substantive participating rights, our consolidated financial statements include the accounts of the company on a consolidated basis with its net income and equity reported at amounts attributable to both our equity position and that of the noncontrolling interest. Investments in unconsolidated affiliates are accounted for on the equity method, as we do not have a controlling financial interest but have the ability to exercise significant influence. All significant inter-company items have been eliminated. The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. The results of operations for the interim periods are not necessarily indicative of the results of operations for the entire year.
Reclassification	***Reclassification*** Certain prior period amounts in the accompanying consolidated financial statements and related notes have been reclassified to conform to the 2024 presentation.

Summary of Significant Accounting Policies (Policies)

6 Months Ended Jun. 30, 2024

Summary of Significant Accounting Policies [Abstract]

Recently Issued Accounting Pronouncements

Recently Issued Accounting Pronouncements

Standards not yet adopted as of June 30, 2024

Standard	Description	Effective date	Effects on the financial statements or other significant matters
ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*	ASU 2023-07 will improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses on an interim and annual basis. ASU 2023-07 expands segment disclosures by requiring disclosure of (1) significant segment expenses that are regularly provided to the chief operating decision maker ("CODM") and included within each reported measure of segment profit or loss; (2) the amount and description of the composition of other segment items to reconcile to segment profit and loss; and (3) the CODM's title and position and how the CODM uses the reported segment measures to allocate resources. Additionally, ASU 2023-07 requires interim disclosures of all reportable segment profit or loss and assets previously required annually by Topic 280.	The ASU is effective for the fiscal years beginning after December 15, 2023, which for us is December 31, 2024, and all subsequent interim periods, with full retrospective application required to all prior periods presented. Early adoption is permitted.	The new standard will require expanding our segment disclosure to include additional segment level information. We are currently evaluating the full impact of adopting ASU 2023-07 on our consolidated financial statements, disclosures, processes and controls. On an ongoing basis, we will continue to assess the impact of the new standard through our planned date of adoption of December 31, 2024.
ASU 2023-09,	ASU 2023-09 will improve transparency	The ASU is effective for annual reporting	The new standard will require

Income Taxes (Topic 270): Improvements to Income Tax Disclosures	and decision making usefulness of income tax disclosures. ASU 2023-09 will expand the annual required effective income tax rate reconciliation disclosures to include (1) eight specific categories of rate reconciling items; (2) additional information for reconciling items that meet or exceed a quantitative threshold; and (3) expand the required disclosures to include reconciling percentages as well as reported amounts. Additionally, the ASU 2023-09 will expand required annual disclosures of income taxes paid to include the disaggregation by federal, state and foreign jurisdictions.	periods beginning after December 15, 2024, which for us is December 31, 2025, with prospective application. Early adoption and retrospective application are permitted.	expanding our annual income tax disclosures in our financial statements. We are currently evaluating the full impact of adopting ASU 2023-09 on our consolidated financial statements, disclosures, processes and controls. On an ongoing basis, we will continue to assess the impact of the new standard through our planned date of adoption of December 31, 2025.

We have reviewed all other recently issued accounting pronouncements and concluded they were either not applicable or not expected to have a material impact on the Company's consolidated financial statements.

Business Acquisitions and Investments (Tables)

Foshan GWO YNG SMP Vehicle Climate Control & Cooling Products Co Ltd [Member]

Business Acquisition [Line Items]

Allocation of Purchase Price, Assets Acquired And Liabilities Assumed

6 Months Ended Jun. 30, 2024

The following table summarizes the allocation of the total step acquisition purchase consideration to the identifiable assets acquired and liabilities assumed based on their fair values (in thousands):

Total purchase consideration (a)		$ 21,725
Assets acquired and liabilities assumed:		
Cash and cash equivalents	$ 6,779	
Receivables	5,912	
Inventory	5,945	
Other current assets	528	
Property, plant and equipment, net	2,924	
Operating lease right-of-use assets	4,372	
Intangible assets (b)	532	
Goodwill	2,208	
Long term investments and other assets	7,257	
Current liabilities	(6,004)	
Noncurrent operating lease liabilities	(3,455)	
Subtotal		26,998
Fair value of acquired noncontrolling interest		(5,273)
Total purchase consideration allocated to net assets acquired		$ 21,725

(a) Total purchase consideration is the sum of the fair value of the previously held equity investment interest in Gwo Yng of $17.7 million and the cash paid of $4 million for the acquisition of the additional 15% equity ownership interest.

(b) Intangible assets consists of customer relationships of $0.4 million and capitalized software of $0.1 million.

Restructuring and Integration Expenses (Tables)

Restructuring and Integration Expenses [Abstract]

Restructuring and Integration Expense

6 Months Ended

Jun. 30, 2024

Activity for the six months ended June 30, 2024 related to the voluntary retirement incentive program workforce reduction consisted of the following (in thousands):

Exit activity liability at December 31, 2023	$ —
Restructuring and integration costs:	
Amounts provided for during 2024 (a)	2,589
Stock-based compensation	166
Cash payments	(128)
Exit activity liability at June 30, 2024	$ 2,627

(a) Restructuring and integration expenses incurred during the six months ended June 30, 2024 consist of $1.1 million in our Vehicle Control segment, $0.2 million in our Temperature Control segment, $0.4 million in our Engineered Solutions segment and $0.9 million in our Other segment.

Activity for the six months ended June 30, 2024 related to the cost reduction initiative consisted of the following (in thousands):

	Workforce Reduction	Other Exit Costs	Total
Exit activity liability at December 31, 2023	$ 1,729	$ —	$ 1,729
Restructuring and integration costs:			
Amounts provided for during 2024 (a)	(46)	208	162
Cash payments	(949)	(208)	(1,157)
Foreign currency exchange rate changes	(24)	—	(24)
Exit activity liability at June 30, 2024	$ 710	$ —	$ 710

(a) Restructuring and integration expenses incurred during the six months ended June 30, 2024 consist of $52,000 in our Vehicle Control segment, $75,000 in our Temperature Control segment and $35,000 in our Engineered Solutions segment.

Inventories (Tables)

Inventories [Abstract]

Inventories

6 Months Ended
Jun. 30, 2024

Inventories, which are stated at the lower of cost (determined by means of the first-in, first-out method) and net realizable value, consist of the following:

	June 30, 2024	December 31, 2023
	(In thousands)	
Finished goods	$310,310	$ 302,557
Work in process	15,094	18,503
Raw materials	182,779	186,015
Subtotal	508,183	507,075
Unreturned customer inventories	18,119	18,240
Total inventories	$526,302	$ 525,315

Acquired Intangible Assets (Tables)

6 Months Ended Jun. 30, 2024

Acquired Intangible Assets [Abstract]

Acquired Identifiable Intangible Assets

Acquired identifiable intangible assets consist of the following:

	June 30, 2024	December 31, 2023
	(In thousands)	
Customer relationships	$ 159,824	$ 159,641
Patents, developed technology and intellectual property	14,123	14,123
Trademarks and trade names	8,880	8,880
Non-compete agreements	3,308	3,295
Supply agreements	800	800
Leaseholds	160	160
Total acquired intangible assets	187,095	186,899
Less: Accumulated amortization (a)	(100,379)	(95,681)
Net acquired intangible assets	$ 86,716	$ 91,218

(a) Applies to all intangible assets, except for trademarks and trade names totaling $2.6 million, which have indefinite useful lives and, as such, are not being amortized.

Leases (Tables)

Leases [Abstract]

Quantitative Disclosures Related to Operating Leases

6 Months Ended Jun. 30, 2024

The following tables provide quantitative disclosures related to our operating leases and include all operating leases acquired from the date of acquisition (in thousands):

Balance Sheet Information	**June 30, 2024**	**December 31, 2023**
Assets		
Operating lease right-of-use assets	$ 99,121	$ 100,065
Liabilities		
Sundry payables and accrued expenses	$ 17,212	$ 17,139
Noncurrent operating lease liabilities	88,820	88,974
Total operating lease liabilities	$ 106,032	$ 106,113
Weighted Average Remaining Lease Term	8.1 Years	8.3 Years
Weighted Average Discount Rate	4.9%	4.8%

	Three Months Ended June 30,		**Six Months Ended June 30,**	
Lease Expense	**2024**	**2023**	**2024**	**2023**
Lease expense	$ 4,852	$ 3,776	$ 9,672	$ 6,885
Variable and other lease expense (a)	628	511	1,408	1,283
Total lease costs	$ 5,480	$ 4,287	$ 11,080	$ 8,168

(a) Variable and other lease expense relate to non-lease components such as maintenance, property taxes, etc., and operating lease expense for leases with an initial term of 12 months or less which are not material.

	Six Months Ended June 30,	
	2024	**2023**
Supplemental Cash Flow Information		
Cash paid for the amounts included in the measurement of lease liabilities	$ 8,801	$ 5,476
Right-of-use assets obtained in exchange for new lease obligations (a)	$ 6,674	$ 30,830

(a) Includes $4.7 million of right-of-use assets related to the lease modification and extension for our manufacturing facility in Bialystok, Poland during the six months ended June 30, 2024, and $27.8 million of right-of-use assets related to the lease modification and extension for our distribution center and office in Lewisville, Texas during the six months ended June 30, 2023.

Minimum Lease Payments

At June 30, 2024, we are obligated to make minimum lease payments through 2034, under operating leases, which are as follows (in thousands):

2024	$ 9,344
2025	16,919
2026	15,554
2027	14,317
2028	12,605
Thereafter	62,086

Total lease payments	$ 130,825
Less: Interest	(24,793)
Present value of lease liabilities	$ 106,032

Credit Facilities and Long-Term Debt (Tables)	6 Months Ended Jun. 30, 2024

Credit Facilities and Long-Term Debt [Abstract]

Summary of Total Debt Outstanding

Total debt outstanding is summarized as follows:

	June 30, 2024	December 31, 2023
	(In thousands)	
Credit facility – term loan due 2027	$ 90,000	$ 92,500
Credit facility – revolver due 2027	118,000	63,500
Other	192	211
Total debt	$208,192	$ 156,211
Current maturities of debt	$ 5,030	$ 5,029
Long-term debt	203,162	151,182
Total debt	$208,192	$ 156,211

Maturities of Debt

As of June 30, 2024, maturities of debt through 2027, assuming no prepayments, are as follows (in thousands):

	Revolving Credit Facility	Term A-1 Loan	Polish Overdraft Facility and Other Debt	Total
Remainder of 2024	$ —	$ 2,500	$ 14	$ 2,514
2025	—	5,000	31	5,031
2026	—	7,500	47	7,547
2027	118,000	75,000	100	193,100
Total	$ 118,000	$ 90,000	$ 192	$208,192
Less: current maturities	—	(5,000)	(30)	(5,030)
Long-term debt	$ 118,000	$ 85,000	$ 162	$203,162

Accumulated Other Comprehensive Income Attributable to SMP (Tables)

6 Months Ended

Jun. 30, 2024

Accumulated Other Comprehensive Income Attributable to SMP [Abstract]

Changes in Accumulated Other Comprehensive Income by Component

Changes in Accumulated Other Comprehensive Income by Component (in thousands)

	Three Months Ended June 30, 2024			
	Foreign Currency Translation	Unrealized derivative gains (losses)	Unrecognized Postretirement Benefit Costs (Credit)	Total
Balance at March 31, 2024	$ (10,117)	$ 4,290	$ 21	$ (5,806)
Other comprehensive income (loss) before reclassifications	(3,733)	573(a)	—	(3,160)
Amounts reclassified from accumulated other comprehensive income	—	(494)	(2)	(496)
Other comprehensive income (loss), net	(3,733)	79	(2)	(3,656)
Balance at June 30, 2024	$ (13,850)	$ 4,369	$ 19	$ (9,462)

	Six Months Ended June 30, 2024			
	Foreign Currency Translation	Unrealized derivative gains (losses)	Unrecognized Postretirement Benefit Costs (Credit)	Total
Balance at December 31, 2023	$ (8,897)	$ 2,899	$ 24	$ (5,974)
Other comprehensive income (loss) before reclassifications	(4,953)	2,461(a)	—	(2,492)
Amounts reclassified from accumulated other comprehensive income	—	(991)	(5)	(996)
Other comprehensive income (loss), net	(4,953)	1,470	(5)	(3,488)
Balance at June 30, 2024	$ (13,850)	$ 4,369	$ 19	$ (9,462)

(a) Consists of the unrecognized gain relating to the change in fair value of the cash flow interest rate hedge of $0.1 million ($0.1 million, net of tax) and $2 million ($1.5 million, net of tax) in the three and six months ended June 30, 2024, respectively, and cash settlement receipts of $0.7 million ($0.5 million, net of tax) and $1.3 million ($1 million, net of tax) in the three and six months ended June 30, 2024, respectively.

Reclassifications Out of Accumulated Other Comprehensive Income

Reclassifications Out of Accumulated Other Comprehensive Income (in thousands)

	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
Derivative cash flow hedge:		
Unrecognized loss (a)	$ (668)	$ (1,339)
Postretirement benefit plans:		

Unrecognized loss (b)	(4)	(9)
Total before income tax	(672)	(1,348)
Income tax benefit	(176)	(352)
Total reclassifications attributable to SMP	$ (496)	$ (996)

(a) Unrecognized accumulated other comprehensive income (loss) related to the cash flow interest rate hedge is reclassified to earnings and reported as part of interest expense in our consolidated statements of operations when the interest payments on the underlying borrowings are recognized.

(b) Unrecognized accumulated other comprehensive income (loss) related to our postretirement benefit plans is reclassified to earnings and included in the computation of net periodic postretirement benefit costs, which are included in other non-operating income, net in our consolidated statements of operations (see Note 12, “Employee Benefits,” for additional information).

Stock-Based Compensation Plans (Tables)

Stock-Based Compensation Plans [Abstract]

Restricted and Performance-based Share Activity

6 Months Ended Jun. 30, 2024

Our restricted and performance-based share activity was as follows for the six months ended June 30, 2024:

	Shares	Weighted Average Grant Date Fair Value Per Share
Balance at December 31, 2023	880,976	$ 29.48
Granted	6,775	27.64
Vested	(35,609)	28.77
Forfeited	(29,225)	29.86
Balance at June 30, 2024	822,917	$ 29.48

Fair Value Measurements (Tables)

6 Months Ended Jun. 30, 2024

Fair Value Measurements [Abstract]

Summary of Estimated Fair Values, Carrying Amounts and Classification under Fair Value Hierarchy

The following is a summary of the estimated fair values, carrying amounts, and classification under the fair value hierarchy of our financial instruments at June 30, 2024 and December 31, 2023 (in thousands):

		June 30, 2024		December 31, 2023	
	Fair Value Hierarchy Level	Fair Value	Carrying Amount	Fair Value	Carrying Amount
Cash and cash equivalents (a)	1, 2	$ 26,156	$ 26,156	$ 32,526	$ 32,526
Deferred compensation	1	25,799	25,799	23,893	23,893
Short term borrowings	2	5,030	5,030	5,029	5,029
Long-term debt	2	203,162	203,162	151,182	151,182
Cash flow interest rate swap	2	5,926	5,926	3,939	3,939
Long-term investments	2	7,573	7,573	7,468	7,468

(a) As of June 30, 2024 cash and cash equivalents consist solely of cash of $26.2 million, which is classified as Level 1 under the fair value hierarchy. As of December 31, 2023 cash and cash equivalents consist of cash of $29.5 million and cash equivalents of $3 million, which are classified as Level 1 and Level 2, respectively, under the fair value hierarchy.

Earnings Per Share (Tables)

6 Months Ended Jun. 30, 2024

Earnings Per Share [Abstract]

Reconciliations of Earnings Available to Common Stockholders and Shares used in Calculating Basic and Dilutive Net Earnings per Common Share

The following are reconciliations of the net earnings attributable to SMP and the shares used in calculating basic and dilutive net earnings per common share attributable to SMP (in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net earnings (loss) attributable to SMP				
Continuing operations	$ 17,980	$ 18,358	$ 27,843	$ 31,056
Discontinued operations	(917)	(9,221)	(1,956)	(10,001)
Net earnings attributable to SMP	$ 17,063	$ 9,137	$ 25,887	$ 21,055
Basic net earnings (loss) per common share attributable to SMP				
Continuing operations	$ 0.83	$ 0.85	$ 1.27	$ 1.43
Discontinued operations	$ (0.05)	$ (0.43)	$ (0.09)	$ (0.46)
Diluted net earnings (loss) per common share attributable to SMP				
Continuing operations	$ 0.81	$ 0.83	$ 1.25	$ 1.40
Discontinued operations	$ (0.04)	$ (0.42)	$ (0.09)	$ (0.45)
Weighted average common shares outstanding, basic	21,768	21,689	21,846	21,650
Dilutive effect of restricted stock and performance-based stock	418	494	432	490
Weighted average common shares outstanding, diluted	22,186	22,183	22,278	22,140

Anti-dilutive Securities Excluded from Computation of Earnings per Share

The shares listed below were not included in the computation of diluted net earnings per common share attributable to SMP because to do so would have been anti-dilutive for the periods presented or because they were excluded under the treasury method (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Restricted and performance-based shares	290	273	286	286

Industry Segments (Tables)

Industry Segments [Abstract]

Sales and Operating Income by Operating Segments

6 Months Ended
Jun. 30, 2024

The following tables show our net sales and operating income for each reportable operating segment (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net Sales (a)				
Vehicle Control	$ 188,741	$ 183,789	$374,265	$368,366
Temperature Control	124,481	97,074	196,089	169,480
Engineered Solutions	76,607	72,212	150,878	143,257
Other	—	—	—	—
Consolidated	$ 389,829	$ 353,075	$721,232	$681,103
Operating Income				
Vehicle Control	$ 15,116	$ 19,273	$ 30,656	$ 36,648
Temperature Control	13,197	5,800	15,228	7,884
Engineered Solutions	5,812	6,163	8,044	11,810
Other	(9,139)	(4,058)	(14,323)	(8,418)
Consolidated	$ 24,986	$ 27,178	$ 39,605	$ 47,924

(a) There are no intersegment sales among our Vehicle Control, Temperature Control and Engineered Solutions operating segments.

Net Sales (Tables)

Net Sales [Abstract]

Disaggregation of Net Sales

6 Months Ended Jun. 30, 2024

The following table summarizes consolidated net sales by major product group within each operating segment for the three and six months ended June 30, 2024 and 2023 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Vehicle Control				
Engine Management (Ignition, Emissions and Fuel Delivery)	$ 115,529	$ 113,589	$ 231,614	$ 229,672
Electrical and Safety	57,128	52,867	109,535	104,671
Wire Sets and Other	16,084	17,333	33,116	34,023
Total Vehicle Control	188,741	183,789	374,265	368,366
Temperature Control				
AC System Components	99,970	72,730	149,930	123,528
Other Thermal Components	24,511	24,344	46,159	45,952
Total Temperature Control	124,481	97,074	196,089	169,480
Engineered Solutions				
Commercial Vehicle	23,483	20,225	46,391	40,457
Construction/Agriculture	9,473	11,138	19,549	22,830
Light Vehicle	24,686	23,981	46,489	47,000
All Other	18,965	16,868	38,449	32,970
Total Engineered Solutions	76,607	72,212	150,878	143,257
Other	—	—	—	—
Total	$ 389,829	$ 353,075	$ 721,232	$ 681,103

Geographic Area

We sell our line of products primarily in the United States, with additional sales in Canada, Mexico, Europe, Asia and Latin America. Sales are attributed to countries based upon the location of the customer. Our sales are substantially denominated in U.S. dollars.

The following tables provide disaggregation of net sales information by geographic area within each operating segment for the three and six months ended June 30, 2024 and 2023 (in thousands):

Three months ended June 30, 2024	**Vehicle Control**	**Temperature Control**	**Engineered Solutions**	**Other**	**Total**
United States	$167,899	$ 117,632	$ 40,949	$ —	$326,480
Canada	8,681	6,585	8,497	—	23,763
Europe	261	35	13,878	—	14,174
Mexico	10,795	4	2,723	—	13,522
Asia	27	154	9,644	—	9,825
Other foreign	1,078	71	916	—	2,065
Total	$188,741	$ 124,481	$ 76,607	$ —	$389,829

Three months ended June 30, 2023	**Vehicle Control**	**Temperature Control**	**Engineered Solutions**	**Other**	**Total**

United States	$165,198	$ 92,099	$ 44,565	$ —	$301,862
Canada	8,834	4,926	6,126	—	19,886
Europe	248	—	14,914	—	15,162
Mexico	8,179	18	2,038	—	10,235
Asia	88	—	4,273	—	4,361
Other foreign	1,242	31	296	—	1,569
Total	$183,789	$ 97,074	$ 72,212	$ —	$353,075

Six months ended June 30, 2024	Vehicle Control	Temperature Control	Engineered Solutions	Other	Total
United States	$332,720	$ 182,297	$ 81,403	$ —	$596,420
Canada	17,839	13,217	16,679	—	47,735
Europe	544	51	28,084	—	28,679
Mexico	20,815	9	4,930	—	25,754
Asia	128	295	18,205	—	18,628
Other foreign	2,219	220	1,577	—	4,016
Total	$374,265	$ 196,089	$ 150,878	$ —	$721,232

Six months ended June 30, 2023	Vehicle Control	Temperature Control	Engineered Solutions	Other	Total
United States	$331,610	$ 161,670	$ 88,771	$ —	$582,051
Canada	17,164	7,681	11,364	—	36,209
Europe	446	—	29,998	—	30,444
Mexico	16,766	18	3,806	—	20,590
Asia	150	20	8,327	—	8,497
Other foreign	2,230	91	991	—	3,312
Total	$368,366	$ 169,480	$ 143,257	$ —	$681,103

Commitments and Contingencies (Tables)

Commitments and Contingencies [Abstract]

Changes in Product Warranties

6 Months Ended Jun. 30, 2024

The following table provides the changes in our product warranties (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Balance, beginning of period	$ 23,092	$ 20,600	$ 21,134	$ 19,667
Liabilities accrued for current year sales	37,003	30,047	65,680	55,840
Settlements of warranty claims	(32,552)	(27,061)	(59,271)	(51,921)
Balance, end of period	$ 27,543	$ 23,586	$ 27,543	$ 23,586

Basis of Presentation (Details)	6 Months Ended Jun. 30, 2024 Segment
Basis of Presentation [Abstract]	
Number of reportable segments	2
Equity ownership in entities included in consolidated financial statements, minimum	50.00%

Business Acquisitions and Investments (Details) $ in Thousands	1 Months Ended Jul. 31, 2023 USD ($)	6 Months Ended Jun. 30, 2023 USD ($)	Jun. 30, 2024 USD ($)	Dec. 31, 2023 USD ($)	Jul. 31, 2023 CNY (¥)	Dec. 31, 2022	Mar. 31, 2018 USD ($)	Mar. 31, 2018 CNY (¥)	Apr. 30, 2014 USD ($)
Investments in and Advances to Affiliates, Balance [Abstract]									
Investments in unconsolidated affiliates			$ 25,615	$ 24,050					
Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Net [Abstract]									
Goodwill			$ 134,476	$ 134,729					
Foshan GWO YNG SMP Vehicle Climate Control & Cooling Products Co Ltd [Member]									
Investments in and Advances to Affiliates, Balance [Abstract]									
Percentage of equity interest acquired	15.00%		80.00%		15.00%	65.00%	15.00%	15.00%	50.00%
Investments in unconsolidated affiliates	$ 4,000				¥ 27,378,290		$ 4,200	¥ 26,475,583	$ 14,000
Total purchase consideration	[1] 21,725								
Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Net [Abstract]									
Cash and cash equivalents	6,779								
Receivables	5,912								
Inventory	5,945								
Other current assets	528								
Property, plant, and equipment, net	2,924								
Operating lease right-of-use assets	4,372								
Intangible assets	[2] 532								

Goodwill	2,208		
Long term investments and other assets	7,257		
Current liabilities	(6,004)		
Noncurrent operating lease liabilities	(3,455)		
Subtotal	26,998		
Fair value of acquired noncontrolling interest	(5,273)		
Net assets acquired	21,725		
Equity investment interest held		$ 17,700	
Cash paid for the acquisition of equity interest	4,000		
Foshan GWO YNG SMP Vehicle Climate Control & Cooling Products Co Ltd [Member] | Temperature Control Segment [Member]			
Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Net [Abstract]			
Goodwill	1,200		
Foshan GWO YNG SMP Vehicle Climate Control & Cooling Products Co Ltd [Member] | Engineered Solutions Segment [Member]			
Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Net [Abstract]			
Goodwill	$ 1,000		
Foshan GWO YNG SMP Vehicle Climate Control & Cooling Products Co Ltd [Member] | Customer Relationships [Member]			
Investments in and Advances to Affiliates, Balance [Abstract]			
Estimated useful life of intangible assets	10 years		10 years

Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Net [Abstract]	
Intangible assets	$ 400
Foshan GWO YNG SMP Vehicle Climate Control & Cooling Products Co Ltd [Member] | Capitalized Software [Member]	
Business Combination, Recognized Identifiable Assets Acquired and Liabilities Assumed, Net [Abstract]	
Intangible assets	$ 100

[1] Total purchase consideration is the sum of the fair value of the previously held equity investment interest in Gwo Yng of $17.7 million and the cash paid of $4 million for the acquisition of the additional 15% equity ownership interest.

[2] Intangible assets consists of customer relationships of $0.4 million and capitalized software of $0.1 million.

Restructuring and Integration Expenses (Details) - USD ($) $ in Thousands	3 Months Ended		6 Months Ended			
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023	Dec. 31, 2026	Dec. 31, 2025
Restructuring and integration activities [Roll Forward]						
Amounts provided for during 2024 (a)	$ 2,559	$ 294	$ 2,751	$ 1,206		
Voluntary Retirement Incentive Program [Member]						
Restructuring Costs [Abstract]						
Remaining expected restructuring costs	3,100		3,100			
Aggregate restructuring cost			6,200			
Restructuring and integration activities [Roll Forward]						
Exit activity liability, beginning of period			0			
Amounts provided for during 2024 (a)	[1]		2,589			
Stock-based compensation			166			
Cash payments			(128)			
Exit activity liability, end of period	2,627		2,627			
Voluntary Retirement Incentive Program [Member] | Forecast [Member]						
Restructuring Costs [Abstract]						
Remaining expected restructuring costs					$ 100	$ 400
Voluntary Retirement Incentive Program [Member] | Vehicle Control Segment [Member]						
Restructuring and integration activities [Roll Forward]						
Amounts provided for during 2024 (a)			1,100			
Voluntary Retirement Incentive Program [Member] | Temperature Control Segment [Member]						
Restructuring and integration activities [Roll Forward]						
Amounts provided for during 2024 (a)			200			
Voluntary Retirement Incentive Program [Member] | Engineered Solutions Segment [Member]						
Restructuring and integration activities [Roll Forward]						
Amounts provided for during 2024 (a)			400			
Voluntary Retirement Incentive Program [Member] | Other Segment [Member]						
Restructuring and integration activities [Roll Forward]						
Amounts provided for during 2024 (a)			900			
Cost Reduction Initiative [Member]						
Restructuring and integration activities [Roll Forward]						
Exit activity liability, beginning of period			1,729			
Amounts provided for during 2024 (a)	[2]		162			
Cash payments			(1,157)			
Foreign currency exchange rate changes			(24)			
Exit activity liability, end of period	710		710			

Cost Reduction Initiative [Member] | Vehicle Control Segment [Member]		
Restructuring and integration activities [Roll Forward]		
Amounts provided for during 2024 (a)		52
Cost Reduction Initiative [Member] | Temperature Control Segment [Member]		
Restructuring and integration activities [Roll Forward]		
Amounts provided for during 2024 (a)		75
Cost Reduction Initiative [Member] | Engineered Solutions Segment [Member]		
Restructuring and integration activities [Roll Forward]		
Amounts provided for during 2024 (a)		35
Cost Reduction Initiative [Member] | Workforce Reduction [Member]		
Restructuring and integration activities [Roll Forward]		
Exit activity liability, beginning of period		1,729
Amounts provided for during 2024 (a)	[2]	(46)
Cash payments		(949)
Foreign currency exchange rate changes		(24)
Exit activity liability, end of period	710	710
Cost Reduction Initiative [Member] | Other Exit Costs [Member]		
Restructuring and integration activities [Roll Forward]		
Exit activity liability, beginning of period		0
Amounts provided for during 2024 (a)	[2]	208
Cash payments		(208)
Foreign currency exchange rate changes		0
Exit activity liability, end of period	$ 0	$ 0

[1] Restructuring and integration expenses incurred during the six months ended June 30, 2024 consist of $1.1 million in our Vehicle Control segment, $0.2 million in our Temperature Control segment, $0.4 million in our Engineered Solutions segment and $0.9 million in our Other segment.

[2] Restructuring and integration expenses incurred during the six months ended June 30, 2024 consist of $52,000 in our Vehicle Control segment, $75,000 in our Temperature Control segment and $35,000 in our Engineered Solutions segment.

Sale of Receivables (Details) - USD ($) $ in Millions	3 Months Ended		6 Months Ended		
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023	Dec. 31, 2023
Sale of Receivables [Abstract]					
Sale of receivables to financial institutions	$ 230.1	$ 211.6	$ 400.9	$ 382.5	
Receivables not yet collected	14.4		14.4		$ 4.5
Charge related to sale of receivables	$ 13.4	$ 12.4	$ 23.4	$ 21.5	

Inventories (Details) - USD ($) $ in Thousands	Jun. 30, 2024	Dec. 31, 2023
Inventories [Abstract]		
Finished goods	$ 310,310	$ 302,557
Work in process	15,094	18,503
Raw materials	182,779	186,015
Subtotal	508,183	507,075
Unreturned customer inventories	18,119	18,240
Total inventories	$ 526,302	$ 525,315

Acquired Intangible Assets, Identifiable Intangible Assets (Details) - USD ($) $ in Thousands	Jun. 30, 2024	Dec. 31, 2023
Indefinite Lived Intangible Assets [Abstract]		
Acquired intangible assets	$ 187,095	$ 186,899
Less Accumulated amortization	[1] (100,379)	(95,681)
Net acquired intangible assets	86,716	91,218
Customer Relationships [Member]		
Indefinite Lived Intangible Assets [Abstract]		
Acquired intangible assets	159,824	159,641
Patents, Developed Technology and Intellectual Property [Member]		
Indefinite Lived Intangible Assets [Abstract]		
Acquired intangible assets	14,123	14,123
Trademarks and Trade Names [Member]		
Indefinite Lived Intangible Assets [Abstract]		
Acquired intangible assets	8,880	8,880
Acquired indefinite-lived intangible assets	2,600	
Non-compete Agreements [Member]		
Indefinite Lived Intangible Assets [Abstract]		
Acquired intangible assets	3,308	3,295
Supply Agreements [Member]		
Indefinite Lived Intangible Assets [Abstract]		
Acquired intangible assets	800	800
Leaseholds [Member]		
Indefinite Lived Intangible Assets [Abstract]		
Acquired intangible assets	$ 160	$ 160

[1] Applies to all intangible assets, except for trademarks and trade names totaling $2.6 million, which have indefinite useful lives and, as such, are not being amortized.

Acquired Intangible Assets, Amortization Expense (Details) - USD ($) $ in Millions	3 Months Ended		6 Months Ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
Amortization of acquired intangible assets [Abstract]				
Amortization expense	$ 2.1	$ 2.1	$ 4.3	$ 4.3
Estimated amortization expense, remainder of 2024	4.1		4.1	
Estimated amortization expense in year 2025	8.5		8.5	
Estimated amortization expense in year 2026	8.5		8.5	
Estimated amortization expense in year 2027	8.5		8.5	
Estimated amortization expense in years 2028 through 2041	$ 54.5		$ 54.5	

Leases (Details) - USD ($) $ in Thousands	3 Months Ended		6 Months Ended		
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023	Dec. 31, 2023
Quantitative Lease Disclosures [Abstract]					
Renewal option period	5 years		5 years		
Assets [Abstract]					
Operating lease right-of-use assets	$ 99,121		$ 99,121		$ 100,065
Liabilities [Abstract]					
Sundry payables and accrued expenses	17,212		17,212		17,139
Noncurrent operating lease liabilities	88,820		88,820		88,974
Total operating lease liabilities	$ 106,032		$ 106,032		$ 106,113
Weighted average remaining lease term	8 years 1 month 6 days		8 years 1 month 6 days		8 years 3 months 18 days
Weighted average discount rate	4.90%		4.90%		4.80%
Lease Expense [Abstract]					
Lease expense	$ 4,852	$ 3,776	$ 9,672	$ 6,885	
Variable and other lease expense	[1] 628	511	1,408	1,283	
Total lease costs	5,480	$ 4,287	11,080	8,168	
Supplemental Cash Flow Information [Abstract]					
Cash paid for the amounts included in the measurement of lease liabilities			8,801	5,476	
Right-of-use assets obtained in exchange for new lease obligations	[2]		6,674	30,830	
Minimum Lease Payments [Abstract]					
2024	9,344		9,344		
2025	16,919		16,919		
2026	15,554		15,554		
2027	14,317		14,317		
2028	12,605		12,605		
Thereafter	62,086		62,086		
Total lease payments	130,825		130,825		
Less: Interest	(24,793)		(24,793)		
Total operating lease liabilities	$ 106,032		$ 106,032		$ 106,113
Maximum [Member]					
Quantitative Lease Disclosures [Abstract]					
Remaining operating lease terms	10 years		10 years		
Poland					

Supplemental Cash Flow Information [Abstract]	
Right-of-use assets related to lease modifications and extension	$ 4,700
Texas	
Supplemental Cash Flow Information [Abstract]	
Right-of-use assets related to lease modifications and extension	$ 27,800

[1] Variable and other lease expense relate to non-lease components such as maintenance, property taxes, etc., and operating lease expense for leases with an initial term of 12 months or less which are not material.

[2] Includes $4.7 million of right-of-use assets related to the lease modification and extension for our manufacturing facility in Bialystok, Poland during the six months ended June 30, 2024, and $27.8 million of right-of-use assets related to the lease modification and extension for our distribution center and office in Lewisville, Texas during the six months ended June 30, 2023.

Credit Facilities and Long-Term Debt, Total Debt Outstanding (Details) - USD ($) $ in Thousands	Jun. 30, 2024	Dec. 31, 2023
Debt Instruments [Abstract]		
Total debt	$ 208,192	$ 156,211
Current maturities of debt	5,030	5,029
Long-term debt	203,162	151,182
Credit Facility - Term Loan Due 2027 [Member]		
Debt Instruments [Abstract]		
Total debt	90,000	92,500
Credit Facility - Revolver Due 2027 [Member]		
Debt Instruments [Abstract]		
Total debt	118,000	63,500
Current maturities of debt	0	
Long-term debt	118,000	
Other [Member]		
Debt Instruments [Abstract]		
Total debt	192	$ 211
Current maturities of debt	30	
Long-term debt	$ 162	

Credit Facilities and Long-Term Debt, Term Loan and Revolving Credit Facilities (Details) $ in Millions	1 Months Ended	6 Months Ended		12 Months Ended	
	Jul. 31, 2024 USD ($)	Jun. 30, 2024 USD ($) Installment	Jun. 30, 2023 USD ($)	Dec. 31, 2023 USD ($)	Jun. 30, 2022 USD ($)
Term Loan and Revolving Credit Facilities [Member]					
Line of Credit Facility [Abstract]					
Debt instrument term		5 years			
Maturity date				Jun. 01, 2027	
Maximum borrowing capacity					$ 500.0
Debt instrument, extension period		1 year			
Borrowing base		$ 168.0			
Maximum consolidated EBITDA		1			
Outstanding borrowings under credit facility		$ 208.0		$ 156.0	
Current portion of debt		5.0		5.0	
Long-term debt		203.0		151.0	
Outstanding letters of credit		$ 2.3		$ 2.3	
Weighted average interest rate		5.70%		5.00%	
Term Loan and Revolving Credit Facilities [Member] | Maximum [Member]					
Line of Credit Facility [Abstract]					
Number of extensions of maturity date | Installment		2			
Net leverage ratio		250.00%			
Term Loan and Revolving Credit Facilities [Member] | SOFR [Member]					
Line of Credit Facility [Abstract]					
Term of variable rate		1 month			
Interest rate periods		one, three or six months			
Outstanding borrowings under credit facility		$ 208.0		$ 156.0	
Weighted average interest rate				5.00%	
Term Loan and Revolving Credit Facilities [Member] | SOFR [Member] | Minimum [Member]					
Line of Credit Facility [Abstract]					
Margin on variable rate		0.10%			
Term Loan and Revolving Credit Facilities [Member] | SOFR [Member] | Maximum [Member]					
Line of Credit Facility [Abstract]					
Margin on variable rate		1.10%			
Term Loan and Revolving Credit Facilities [Member] | Federal Funds Rate [Member]					

Line of Credit Facility [Abstract]				
Margin on variable rate		0.50%		
Term Loan and Revolving Credit Facilities [Member] | Term Benchmark Borrowings [Member] | Minimum [Member]				
Line of Credit Facility [Abstract]				
Margin on variable rate		1.00%		
Term Loan and Revolving Credit Facilities [Member] | Term Benchmark Borrowings [Member] | Maximum [Member]				
Line of Credit Facility [Abstract]				
Margin on variable rate		2.00%		
Term Loan and Revolving Credit Facilities [Member] | Alternate Base Rate [Member]				
Line of Credit Facility [Abstract]				
Average daily loan balance outstanding		$ 1.0	$ 0.2	$ 0.1
Term Loan and Revolving Credit Facilities [Member] | Alternate Base Rate [Member] | Minimum [Member]				
Line of Credit Facility [Abstract]				
Margin on variable rate		0.00%		
Term Loan and Revolving Credit Facilities [Member] | Alternate Base Rate [Member] | Maximum [Member]				
Line of Credit Facility [Abstract]				
Margin on variable rate		1.00%		
Term A-1 Loan [Member]				
Line of Credit Facility [Abstract]				
Maximum borrowing capacity				100.0
Frequency of periodic payment		quarterly		
Term A-1 Loan [Member] | First Four Years [Member]				
Line of Credit Facility [Abstract]				
Periodic payment amortization percentage		1.25%		
Term A-1 Loan [Member] | Fifth Year [Member]				
Line of Credit Facility [Abstract]				
Periodic payment amortization percentage		2.50%		
Term A-2 Loan [Member]				
Line of Credit Facility [Abstract]				
Debt instrument term		5 years		
Frequency of periodic payment		quarterly		
Term A-2 Loan [Member] | Subsequent Event [Member]				
Line of Credit Facility [Abstract]				
Maximum borrowing capacity	$ 125.0			
Term A-2 Loan [Member] | First and Second Year [Member] | Subsequent Event [Member]				
Line of Credit Facility [Abstract]				
Periodic payment amortization percentage	1.25%			
Term A-2 Loan [Member] | Third Year [Member] | Subsequent Event [Member]				

Line of Credit Facility [Abstract]				
Periodic payment amortization percentage	1.875%			
Term A-2 Loan [Member] | Fourth and Fifth Year [Member] | Subsequent Event [Member]				
Line of Credit Facility [Abstract]				
Periodic payment amortization percentage	2.50%			
Revolving Credit Facility [Member]				
Line of Credit Facility [Abstract]				
Maximum borrowing capacity				400.0
Letter of Credit Sublimit [Member]				
Line of Credit Facility [Abstract]				
Maximum borrowing capacity				25.0
Swing Line Loans [Member]				
Line of Credit Facility [Abstract]				
Maximum borrowing capacity				25.0
Interest Rate Swap Agreement [Member]				
Line of Credit Facility [Abstract]				
Term of variable rate		1 month		
Outstanding borrowings under credit facility		$ 100.0	$ 100.0	$ 100.0

Credit Facilities and Long-Term Debt, Polish Overdraft Facility (Details) - Polish Overdraft Facility [Member] zł in Millions, $ in Millions	6 Months Ended			
	Jun. 30, 2024 USD ($)	Dec. 31, 2023 USD ($)	Nov. 30, 2023 USD ($)	Nov. 30, 2023 PLN (zł)
Line of Credit Facility [Abstract]				
Maximum borrowing capacity			$ 7.5	zł 30
Threshold percentage of borrowing capacity	85.00%			
Threshold borrowing capacity limit	$ 6.4			
Overdraft facility renewal period	3 months			
Overdraft facility cancellation period	30 days			
Overdraft facility	$ 0.0	$ 0.0		
1M WIBOR [Member]				
Line of Credit Facility [Abstract]				
Basis spread on variable rate	1.00%			
1M EURIBOR [Member]				
Line of Credit Facility [Abstract]				
Basis spread on variable rate	1.00%			
Mid-Point of Fed Target Range [Member]				
Line of Credit Facility [Abstract]				
Basis spread on variable rate	1.25%			

Credit Facilities and Long-Term Debt, Maturities of Debt (Details) - USD ($) $ in Thousands	Jun. 30, 2024	Dec. 31, 2023
Maturities of Debt [Abstract]		
Remainder of 2024	$ 2,514	
2025	5,031	
2026	7,547	
2027	193,100	
Total debt	208,192	$ 156,211
Less: current maturities	(5,030)	(5,029)
Long-term debt	203,162	151,182
Revolving Credit Facility [Member]		
Maturities of Debt [Abstract]		
Remainder of 2024	0	
2025	0	
2026	0	
2027	118,000	
Total debt	118,000	63,500
Less: current maturities	0	
Long-term debt	118,000	
Term A-1 Loan [Member]		
Maturities of Debt [Abstract]		
Remainder of 2024	2,500	
2025	5,000	
2026	7,500	
2027	75,000	
Total debt	90,000	
Less: current maturities	(5,000)	
Long-term debt	85,000	
Polish Overdraft Facility and Other Debt [Member]		
Maturities of Debt [Abstract]		
Remainder of 2024	14	
2025	31	
2026	47	
2027	100	
Total debt	192	$ 211
Less: current maturities	(30)	
Long-term debt	$ 162	

Credit Facilities and Long-Term Debt, Deferred Financing Costs (Details) - USD ($) $ in Millions	Jun. 30, 2024	Dec. 31, 2023
Deferred Financing Costs [Abstract]		
Deferred financing costs	$ 1.3	$ 1.6
Deferred Finance Costs, Amortization [Abstract]		
Remainder of 2024	0.2	
2025	0.5	
2026	0.5	
2027	$ 0.1	

Accumulated Other Comprehensive Income Attributable to SMP, Changes in Accumulated Other Comprehensive Income by Component (Details) - USD ($) $ in Thousands	3 Months Ended Jun. 30, 2024	6 Months Ended Jun. 30, 2024
Changes in Accumulated Other Comprehensive Income by Component [Roll Forward]		
Beginning balance		$ 635,064
Other comprehensive income (loss) before reclassifications	$ (3,160)	(2,492)
Amounts reclassified from accumulated other comprehensive income	(496)	(996)
Other comprehensive income (loss), net	(3,656)	(3,488)
Ending balance	640,018	640,018
Reclassification out of Accumulated Other Comprehensive Income [Member]		
Changes in Accumulated Other Comprehensive Income by Component [Roll Forward]		
Unrecognized gain relating to change in fair value of cash flow interest rate hedge	100	2,000
Unrecognized gain relating to change in fair value of cash flow interest rate hedge, net of tax	100	1,500
Unrecognized gain, cash receipts	700	1,300
Unrecognized gain, cash receipts, net of tax	500	1,000
Accumulated Other Comprehensive Income (Loss) [Member]		
Changes in Accumulated Other Comprehensive Income by Component [Roll Forward]		
Beginning balance	(5,806)	(5,974)
Ending balance	(9,462)	(9,462)
Foreign Currency Translation [Member]		
Changes in Accumulated Other Comprehensive Income by Component [Roll Forward]		
Beginning balance	(10,117)	(8,897)
Other comprehensive income (loss) before reclassifications	(3,733)	(4,953)
Amounts reclassified from accumulated other comprehensive income	0	0
Other comprehensive income (loss), net	(3,733)	(4,953)
Ending balance	(13,850)	(13,850)
Unrealized Derivative Gains (Losses) [Member]		
Changes in Accumulated Other Comprehensive Income by Component [Roll Forward]		
Beginning balance	4,290	2,899
Other comprehensive income (loss) before reclassifications	[1] 573	2,461
Amounts reclassified from accumulated other comprehensive income	(494)	(991)
Other comprehensive income (loss), net	79	1,470

Ending balance	4,369	4,369
Unrecognized Postretirement Benefit Costs (Credit) [Member]		
Changes in Accumulated Other Comprehensive Income by Component [Roll Forward]		
Beginning balance	21	24
Other comprehensive income (loss) before reclassifications	0	0
Amounts reclassified from accumulated other comprehensive income	(2)	(5)
Other comprehensive income (loss), net	(2)	(5)
Ending balance	$ 19	$ 19

[1] Consists of the unrecognized gain relating to the change in fair value of the cash flow interest rate hedge of $0.1 million ($0.1 million, net of tax) and $2 million ($1.5 million, net of tax) in the three and six months ended June 30, 2024, respectively, and cash settlement receipts of $0.7 million ($0.5 million, net of tax) and $1.3 million ($1 million, net of tax) in the three and six months ended June 30, 2024, respectively.

Accumulated Other Comprehensive Income Attributable to SMP, Reclassifications Out of Accumulated Other Comprehensive Income (Details) - USD ($) $ in Thousands	3 Months Ended		6 Months Ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
Details About Accumulated Other Comprehensive Income Components [Abstract]				
Interest expense	$ 2,752	$ 3,283	$ 4,819	$ 7,145
Other non-operating income (expense), net	2,199	802	3,018	1,027
Earnings from continuing operations before taxes	24,433	24,697	37,804	41,806
Income tax benefit	6,109	6,289	9,451	10,661
Net earnings attributable to SMP	[1] 17,063	$ 9,137	25,887	$ 21,055
Reclassification out of Accumulated Other Comprehensive Income [Member]				
Details About Accumulated Other Comprehensive Income Components [Abstract]				
Earnings from continuing operations before taxes	(672)		(1,348)	
Income tax benefit	(176)		(352)	
Net earnings attributable to SMP	(496)		(996)	
Unrealized Derivative Gains (Losses) [Member] | Reclassification out of Accumulated Other Comprehensive Income [Member]				
Details About Accumulated Other Comprehensive Income Components [Abstract]				
Interest expense	[2] (668)		(1,339)	
Unrecognized Postretirement Benefit Costs (Credit) [Member] | Reclassification out of Accumulated Other Comprehensive Income [Member]				
Details About Accumulated Other Comprehensive Income Components [Abstract]				
Other non-operating income (expense), net	[3] $ (4)		$ (9)	

[1] Throughout this Form 10-Q, “SMP” refers to Standard Motor Products, Inc. and subsidiaries.

[2] Unrecognized accumulated other comprehensive income (loss) related to the cash flow interest rate hedge is reclassified to earnings and reported as part of interest expense in our consolidated statements of operations when the interest payments on the underlying borrowings are recognized.

[3] Unrecognized accumulated other comprehensive income (loss) related to our postretirement benefit plans is reclassified to earnings and included in the computation of net periodic postretirement benefit costs, which are included in other non-operating income, net in our consolidated statements of operations (see Note 12, “Employee Benefits,” for additional information).

Stock-Based Compensation Plans (Details) $ / shares in Units, $ in Thousands	6 Months Ended Jun. 30, 2024 USD ($) Type $ / shares shares	Jun. 30, 2023 USD ($)
Restricted and Performance Stock Grants [Abstract]		
Number of types of restricted stock | Type	2	
Additional Disclosures [Abstract]		
Compensation expense, gross | $	$ 3,049	$ 3,633
Restricted Shares [Member] | Minimum [Member]		
Restricted and Performance Stock Grants [Abstract]		
Expiration of vesting period	3 years	
Restricted Shares [Member] | Employees [Member]		
Restricted and Performance Stock Grants [Abstract]		
Estimated forfeitures	5.00%	
Restricted Shares [Member] | Executives [Member]		
Restricted and Performance Stock Grants [Abstract]		
Estimated forfeitures	0.00%	
Restricted Shares [Member] | Directors [Member]		
Restricted and Performance Stock Grants [Abstract]		
Estimated forfeitures	0.00%	
Restricted Shares [Member] | Age 60 [Member] | Executives [Member]		
Restricted and Performance Stock Grants [Abstract]		
Vesting percentage	25.00%	
Vesting period before reaching age limit	2 months	
Restricted Shares [Member] | Age 63 [Member] | Executives [Member]		
Restricted and Performance Stock Grants [Abstract]		
Vesting percentage	25.00%	
Vesting period before reaching age limit	2 months	
Restricted Shares [Member] | Age 65 [Member] | Executives [Member]		
Restricted and Performance Stock Grants [Abstract]		
Vesting percentage	100.00%	
Vesting period before reaching age limit	2 months	
Performance-based Shares [Member]		
Restricted and Performance Stock Grants [Abstract]		
Measuring period for performance-based shares	3 years	
Performance-based Shares [Member] | Minimum [Member]		
Restricted and Performance Stock Grants [Abstract]		
Expiration of vesting period	3 years	
Restricted and Performance-Based Shares [Member]		
Restricted and performance-based stock, shares [Roll Forward]		
Beginning of period (in shares)	880,976	
Granted (in shares)	6,775	

Vested (in shares)	(35,609)	
Forfeited (in shares)	(29,225)	
End of period (in shares)	822,917	
Restricted and performance-based stock, weighted average grant date fair value per share [Roll Forward]		
Beginning of period (in dollars per share) | $ / shares	$ 29.48	
Granted (in dollars per share) | $ / shares	27.64	
Vested (in dollars per share) | $ / shares	28.77	
Forfeited (in dollars per share) | $ / shares	29.86	
End of period (in dollars per share) | $ / shares	$ 29.48	
Additional Disclosures [Abstract]		
Compensation expense, gross | $	$ 3,000	3,200
Compensation expense, net of tax | $	2,300	$ 2,400
Unrecognized compensation expense | $	$ 9,900	
Restricted and Performance-Based Shares [Member] | Employees [Member]		
Additional Disclosures [Abstract]		
Weighted average period of recognition for unrecognized compensation expense	3 years 8 months 1 day	
Restricted and Performance-Based Shares [Member] | Directors [Member]		
Additional Disclosures [Abstract]		
Weighted average period of recognition for unrecognized compensation expense	9 months 29 days	
Restricted and Performance-Based Shares [Member] | Executives and Directors [Member] | Minimum [Member]		
Restricted and Performance Stock Grants [Abstract]		
Holding period for restricted and performance shares issued	1 year	
Restricted and Performance-Based Shares [Member] | Executives and Directors [Member] | Maximum [Member]		
Restricted and Performance Stock Grants [Abstract]		
Holding period for restricted and performance shares issued	2 years	
2016 Omnibus Incentive Plan [Member] | Employees and Directors [Member]		
Share-based Compensation Arrangement by Share-based Payment Award [Abstract]		
Shares authorized for issuance (in shares)	2,050,000	

Employee Benefits (Details) $ in Millions	1 Months Ended Mar. 31, 2024 USD ($)	6 Months Ended Jun. 30, 2024 Employee shares
Benefit Plan [Abstract]		
Number of former union employees covered by the plan | Employee		13
Supplemental Executive Retirement Plan [Member]		
Defined Contribution Pension and Other Postretirement Plans [Abstract]		
Employer discretionary contribution amount | $	$ 0.5	
Employee Stock Ownership Plan and Trust (ESOP) [Member]		
Employee Stock Ownership Plan (ESOP), Debt Structure [Abstract]		
Additional shares contributed to ESOP (in shares)		68,700
Shares released from trust (in shares)		68,700
Total remaining balance of shares in the ESOP (in shares)		200

Derivative Financial Instruments (Details) - USD ($) $ in Millions	6 Months Ended		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2022
Interest Rate Swap Agreement [Member]			
Notional Disclosures [Abstract]			
Borrowings under credit agreement	$ 100.0	$ 100.0	$ 100.0
Term of variable rate	1 month		
Fixed interest rate	2.683%		
Interest Rate Swap [Member]			
Notional Disclosures [Abstract]			
Derivative term of contract	7 years		
Derivative, notional amount			$ 100.0
Derivative contract, maturity date	May 31, 2029		
Derivative fair value	$ 5.9	$ 3.9	

Fair Value Measurements (Details) - USD ($) $ in Thousands		Jun. 30, 2024	Dec. 31, 2023
Level 1 [Member]			
Fair Value, Net Asset (Liability) [Abstract]			
Cash		$ 26,200	$ 29,500
Level 2 [Member]			
Fair Value, Net Asset (Liability) [Abstract]			
Cash equivalents			3,000
Fair Value [Member] | Level 1/2 [Member]			
Fair Value, Net Asset (Liability) [Abstract]			
Cash and cash equivalents	[1]	26,156	32,526
Fair Value [Member] | Level 1 [Member]			
Fair Value, Net Asset (Liability) [Abstract]			
Deferred compensation		25,799	23,893
Fair Value [Member] | Level 2 [Member]			
Fair Value, Net Asset (Liability) [Abstract]			
Short term borrowings		5,030	5,029
Long-term debt		203,162	151,182
Cash flow interest rate swap		5,926	3,939
Long-term investments		7,573	7,468
Carrying Amount [Member] | Level 1/2 [Member]			
Fair Value, Net Asset (Liability) [Abstract]			
Cash and cash equivalents	[1]	26,156	32,526
Carrying Amount [Member] | Level 1 [Member]			
Fair Value, Net Asset (Liability) [Abstract]			
Deferred compensation		25,799	23,893
Carrying Amount [Member] | Level 2 [Member]			
Fair Value, Net Asset (Liability) [Abstract]			
Short term borrowings		5,030	5,029
Long-term debt		203,162	151,182
Cash flow interest rate swap		5,926	3,939
Long-term investments		$ 7,573	$ 7,468

[1] As of June 30, 2024 cash and cash equivalents consist solely of cash of $26.2 million, which is classified as Level 1 under the fair value hierarchy. As of December 31, 2023 cash and cash equivalents consist of cash of $29.5 million and cash equivalents of $3 million, which are classified as Level 1 and Level 2, respectively, under the fair value hierarchy.

Earnings Per Share (Details) - USD ($) $ / shares in Units, $ in Thousands	3 Months Ended		6 Months Ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
Net earnings (loss) attributable to SMP [Abstract]				
Continuing operations	$ 17,980	$ 18,358	$ 27,843	$ 31,056
Discontinued operations	(917)	(9,221)	(1,956)	(10,001)
Net earnings attributable to SMP [1]	$ 17,063	$ 9,137	$ 25,887	$ 21,055
Basic net earnings (loss) per common share attributable to SMP [Abstract]				
Continuing operations (in dollars per share)	$ 0.83	$ 0.85	$ 1.27	$ 1.43
Discontinued operations (in dollars per share)	(0.05)	(0.43)	(0.09)	(0.46)
Diluted net earnings (loss) per common share attributable to SMP [Abstract]				
Continuing operations (in dollars per share)	0.81	0.83	1.25	1.4
Discontinued operations (in dollars per share)	$ (0.04)	$ (0.42)	$ (0.09)	$ (0.45)
Weighted average common shares outstanding, basic (in shares)	21,767,526	21,689,067	21,845,678	21,649,562
Dilutive effect of restricted stock and performance-based stock (in shares)	418,000	494,000	432,000	490,000
Weighted average common shares outstanding, diluted (in shares)	22,185,536	22,183,489	22,277,590	22,139,708
Restricted and Performance-Based Shares [Member]				
Earnings Per Share [Abstract]				
Antidilutive securities excluded from computation of earnings per share (in shares)	290,000	273,000	286,000	286,000

[1] Throughout this Form 10-Q, “SMP” refers to Standard Motor Products, Inc. and subsidiaries.

Industry Segments (Details) $ in Thousands		3 Months Ended		6 Months Ended	
		Jun. 30, 2024 USD ($)	Jun. 30, 2023 USD ($)	Jun. 30, 2024 USD ($) Segment	Jun. 30, 2023 USD ($)
Segment Reporting Information, Profit (Loss) [Abstract]					
Number of operating segments | Segment				3	
Net sales	[1]	$ 389,829	$ 353,075	$ 721,232	$ 681,103
Operating Income		24,986	27,178	39,605	47,924
Vehicle Control [Member] | Reportable Segments [Member]					
Segment Reporting Information, Profit (Loss) [Abstract]					
Net sales	[1]	188,741	183,789	374,265	368,366
Operating Income		15,116	19,273	30,656	36,648
Temperature Control [Member] | Reportable Segments [Member]					
Segment Reporting Information, Profit (Loss) [Abstract]					
Net sales	[1]	124,481	97,074	196,089	169,480
Operating Income		13,197	5,800	15,228	7,884
Engineered Solutions [Member] | Reportable Segments [Member]					
Segment Reporting Information, Profit (Loss) [Abstract]					
Net sales	[1]	76,607	72,212	150,878	143,257
Operating Income		5,812	6,163	8,044	11,810
Other [Member]					
Segment Reporting Information, Profit (Loss) [Abstract]					
Net sales	[1]	0	0	0	0
Operating Income		$ (9,139)	$ (4,058)	$ (14,323)	$ (8,418)

[1] There are no intersegment sales among our Vehicle Control, Temperature Control and Engineered Solutions operating segments.

Net Sales (Details) - USD ($) $ in Thousands	3 Months Ended		6 Months Ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	$ 389,829	$ 353,075	$ 721,232	$ 681,103
United States [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	326,480	301,862	596,420	582,051
Canada [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	23,763	19,886	47,735	36,209
Europe [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	14,174	15,162	28,679	30,444
Mexico [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	13,522	10,235	25,754	20,590
Asia [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	9,825	4,361	18,628	8,497
Other Foreign [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	2,065	1,569	4,016	3,312
Vehicle Control [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	188,741	183,789	374,265	368,366
Vehicle Control [Member] | United States [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	167,899	165,198	332,720	331,610
Vehicle Control [Member] | Canada [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	8,681	8,834	17,839	17,164
Vehicle Control [Member] | Europe [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	261	248	544	446
Vehicle Control [Member] | Mexico [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	10,795	8,179	20,815	16,766
Vehicle Control [Member] | Asia [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	27	88	128	150
Vehicle Control [Member] | Other Foreign [Member]				
Disaggregation of Revenue [Abstract]				

Disaggregation of net sales	1,078	1,242	2,219	2,230
Vehicle Control [Member] | Engine Management (Ignition, Emissions and Fuel Delivery) [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	115,529	113,589	231,614	229,672
Vehicle Control [Member] | Electrical and Safety [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	57,128	52,867	109,535	104,671
Vehicle Control [Member] | Wire Sets and Other [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	16,084	17,333	33,116	34,023
Temperature Control [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	124,481	97,074	196,089	169,480
Temperature Control [Member] | United States [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	117,632	92,099	182,297	161,670
Temperature Control [Member] | Canada [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	6,585	4,926	13,217	7,681
Temperature Control [Member] | Europe [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	35	0	51	0
Temperature Control [Member] | Mexico [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	4	18	9	18
Temperature Control [Member] | Asia [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	154	0	295	20
Temperature Control [Member] | Other Foreign [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	71	31	220	91
Temperature Control [Member] | AC System Components [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	99,970	72,730	149,930	123,528
Temperature Control [Member] | Other Thermal Components [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	24,511	24,344	46,159	45,952
Engineered Solutions [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	76,607	72,212	150,878	143,257
Engineered Solutions [Member] | United States [Member]				
Disaggregation of Revenue [Abstract]				

Disaggregation of net sales	40,949	44,565	81,403	88,771
Engineered Solutions [Member] | Canada [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	8,497	6,126	16,679	11,364
Engineered Solutions [Member] | Europe [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	13,878	14,914	28,084	29,998
Engineered Solutions [Member] | Mexico [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	2,723	2,038	4,930	3,806
Engineered Solutions [Member] | Asia [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	9,644	4,273	18,205	8,327
Engineered Solutions [Member] | Other Foreign [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	916	296	1,577	991
Engineered Solutions [Member] | Commercial Vehicle [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	23,483	20,225	46,391	40,457
Engineered Solutions [Member] | Construction Agriculture [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	9,473	11,138	19,549	22,830
Engineered Solutions [Member] | Light Vehicle [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	24,686	23,981	46,489	47,000
Engineered Solutions [Member] | All Other [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	18,965	16,868	38,449	32,970
Other [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	0	0	0	0
Other [Member] | United States [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	0	0	0	0
Other [Member] | Canada [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	0	0	0	0
Other [Member] | Europe [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	0	0	0	0
Other [Member] | Mexico [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	0	0	0	0
Other [Member] | Asia [Member]				

Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	0	0	0	0
Other [Member] | Other Foreign [Member]				
Disaggregation of Revenue [Abstract]				
Disaggregation of net sales	$ 0	$ 0	$ 0	$ 0

Commitments and Contingencies, Asbestos and Other Litigation (Details) $ in Thousands	1 Months Ended		6 Months Ended		274 Months Ended		
	Sep. 30, 2023 USD ($)	Aug. 31, 2022 USD ($)	Jun. 30, 2024 USD ($) Claim	Jun. 30, 2023 USD ($)	Jun. 30, 2024 USD ($) Claim	Dec. 31, 2023 USD ($)	Aug. 31, 2023 USD ($)
Asbestos [Abstract]							
Accrued asbestos liabilities			$ 66,357		$ 66,357	$ 72,013	
Asbestos [Member]							
Asbestos [Abstract]							
Pending claims, approximate number | Claim			1,500		1,500		
Payment for settled claims and awards related damages, including interest					$ 80,300		
Increase in range of possible loss from lower range		$ 15,200					
Increase in range of possible loss from upper range		$ 23,700					
Accrued asbestos liabilities	$ 84,000						
Incremental pre-tax provision	$ 23,800						
Asbestos [Member] | Minimum [Member]							
Asbestos [Abstract]							
Range of possible loss							$ 84,000
Asbestos [Member] | Maximum [Member]							
Asbestos [Abstract]							
Range of possible loss							135,300
Asbestos [Member] | Discontinued Operations [Member]							
Asbestos [Abstract]							
Total operating cash outflows related to discontinued operations			$ 5,200	$ 4,500			
Asbestos [Member] | Discontinued Operations [Member] | Minimum [Member]							
Asbestos [Abstract]							
Range of possible loss							53,100
Asbestos [Member] | Discontinued Operations [Member] | Maximum [Member]							
Asbestos [Abstract]							
Range of possible loss							$ 105,200

Commitments and Contingencies, Warranties (Details) - USD ($) $ in Thousands	3 Months Ended		6 Months Ended	
	Jun. 30, 2024	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2023
Changes in product warranties [Roll forward]				
Balance, beginning of period	$ 23,092	$ 20,600	$ 21,134	$ 19,667
Liabilities accrued for current year sales	37,003	30,047	65,680	55,840
Settlements of warranty claims	(32,552)	(27,061)	(59,271)	(51,921)
Balance, end of period	$ 27,543	$ 23,586	$ 27,543	$ 23,586

Subsequent Event (Details) - Nissens Automotive [Member] - Subsequent Event [Member] € in Millions, $ in Millions	1 Months Ended	
	Jul. 31, 2024 EUR (€) Employee	Jul. 31, 2024 USD ($) Employee
Business Combination [Abstract]		
Acquisition price to be paid	€ 360	$ 388
Number of employees worldwide	530	530