

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

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended **December 31, 2023**

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission file number **1-09761**

ARTHUR J. GALLAGHER & CO.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of
incorporation or organization)

2850 Golf Road

Rolling Meadows, Illinois

(Address of principal executive offices)

36-2151613

(I.R.S. Employer
Identification Number)

60008-4050

(Zip Code)

Registrant's telephone number, including area code (630) 773-3800

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 \$1.00 per share	AJG	New York Stock Exchange

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T 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 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 726(b)) by the registered public accounting firm that prepared or issued its audit report. Yes No .

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

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

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

The aggregate market value of the voting common equity held by non-affiliates of the registrant, computed by reference to the last reported price at which the registrant's common equity was sold on June 30, 2023 (the last day of the registrant's most recently completed second quarter) was \$40,930.3 million.

The number of outstanding shares of the registrant's Common Stock, \$1.00 par value, as of January 31, 2024 was 216.8 million.

Documents incorporated by reference: Portions of Arthur J. Gallagher & Co.'s definitive 2024 Proxy Statement are incorporated by reference into this Form 10-K in response to Part III to the extent described herein.

Information Concerning Forward-Looking Statements

This report contains certain statements related to future results, or states our intentions, beliefs and expectations or predictions for the future, which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements relate to expectations or forecasts of future events. Such statements use words such as “anticipate,” “believe,” “estimate,” “expect,” “contemplate,” “forecast,” “project,” “intend,” “plan,” “potential,” and other similar terms, and future or conditional tense verbs like “could,” “may,” “might,” “see,” “should,” “will” and “would.” You can also identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. For example, we may use forward-looking statements when addressing topics such as: the impact of general economic conditions, including significant inflation, interest rates and market uncertainty; the effects of geopolitical volatility, including repercussions from the wars in Ukraine and the Middle East; market and industry conditions, including competitive and pricing trends; acquisition strategy including the expected size of our acquisition program; the expected impact of acquisitions and dispositions and integrating recent acquisitions, including comments regarding the expected benefits of our acquisition of the Willis Towers Watson plc treaty reinsurance brokerage operations (which we refer to as Willis Re), BCHR Holdings, L.P., and its subsidiaries, dba Buck (which we refer to as Buck), Cadence Insurance, Inc. (which we refer to as Cadence Insurance), Eastern Insurance Group, LLC (which we refer to as Eastern Insurance), My Plan Manager Group Pty Ltd (which we refer to as My Plan Manager), and other acquisitions larger than our typical tuck-in acquisitions and the expected duration and costs of integrating such large acquisitions; the development and performance of our services and products; changes in the composition or level of our revenues or earnings; our cost structure and the size and outcome of cost-saving or restructuring initiatives; future capital expenditures; future debt levels and anticipated actions to be taken in connection with maturing debt; future debt to earnings ratios; the outcome of contingencies; dividend policy; pension obligations; cash flow and liquidity; capital structure and financial losses; future actions by regulators; the outcome of existing regulatory actions, audits, reviews or litigation; the impact of changes in accounting rules; financial markets; interest rates; foreign exchange rates; matters relating to our operations; income taxes; expectations regarding our investments; human capital management, including diversity and inclusion initiatives, and environmental, social and governance matters, including climate-resilience and climate-advising products and services and carbon emissions. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from either historical or anticipated results depending on a variety of factors.

Potential factors that could impact results include:

- Global economic and geopolitical events, such as high inflation and related monetary policy responses including increased interest rates; a recession or economic downturn; failures of financial institutions and other counterparties or a potential United States (U.S.) government shutdown or gridlock over increasing the U.S. debt ceiling; political violence, and instability, including geo-economic fragmentation;
- Economic conditions that result in financial difficulties for underwriting enterprises or lead to reduced risk-taking capital capacity, for example, as a result of large payouts related to extreme weather events, or to the failure of such enterprises, including the increased risk of errors and omissions (which we refer to as E&O) claims against us;
- Risks that could negatively affect the success of our acquisition strategy, including the impact of current economic uncertainty on our ability to source, review and price acquisitions, continuing consolidation in our industry and interest in acquiring insurance brokers on the part of private equity firms and newly public insurance brokers, which makes it more difficult to identify targets and in some cases makes them more expensive, inaccurate assumptions and failure to realize expected benefits; the risk that we may not receive timely regulatory approval of pending transactions, closing risks; execution risks, integration risks, poor cultural fit, the risk of post-acquisition deterioration leading to intangible asset impairment charges, and the risk we could incur or assume unanticipated liabilities such as cybersecurity issues or those relating to violations of anti-corruption and sanctions laws;
- Risks related to Willis Re, Buck, Cadence Insurance, Eastern Insurance, My Plan Manager and other acquisitions larger than our usual tuck-in acquisitions, including risks related to our ability to successfully integrate operations, the possibility that our assumptions may be inaccurate resulting in unforeseen obligations or liabilities and failure to realize the expected benefits of these acquisitions;
- Damage to our reputation, including as a result of environmental, social and governance (which we refer to as ESG) matters and the potential for the Internet and social media to magnify the effects of such reputational issues;
- Failure to meet our sustainability and ESG-related aspirations, goals and initiatives or to comply with increasingly complex climate-related regulations, including increased risks related to “greenwashing”;
- Emerging risks relating to the use of artificial intelligence (which we refer to as AI) in our business operations, including regulatory, data privacy and cybersecurity risks;

- Failure to apply technology, data analytics and AI effectively in driving value for our clients through technology-based solutions, or failure to gain internal efficiencies and effective internal controls through the application of technology and related tools;
- Risks associated with the use of AI in our business operations, including regulatory, data privacy, cybersecurity, E&O and competition risks;
- Failure to attract and retain experienced and qualified talent, including our senior management team, or adequately plan and execute for the succession of such leaders; increased costs resulting from increased compensation and benefits packages as a result of a tighter labor market, and negative effects from restrictions on non-competes at the state and federal level;
- Substantial increase in remote work among our employees, which may affect our corporate culture, productivity, collaboration and effective communication, increase cybersecurity or data breaches risks, heighten vulnerability to solicitations by competing firms and impact our ability to recruit and retain employees that prefer fully remote or fully-in-person work environments;
- A disaster or other significant disruption to business continuity for our own operations or those of third-parties on which we rely, including cybersecurity incidents; natural disasters; political violence and unrest in the U.S. or elsewhere around the world; for example, our substantial operations in India could be negatively impacted as a result of the dispute between India and Pakistan involving the Kashmir region, rising tensions between India and China, or incidents of terrorism in India, civil unrest or other reasons;
- Sustained increases in the cost of employee benefits and compensation expense;
- Risks arising from our international operations and changes in international conditions, including the risks posed by political and economic uncertainty in certain countries (including repercussions from the wars in Ukraine and the Middle East), risks related to maintaining regulatory and legal compliance across multiple jurisdictions (such as those relating to violations of anti-corruption, sanctions, protectionism, privacy laws and increasingly complex regulatory requirements related to climate change and sustainability issues), as well as, risks related to tariffs, trade wars, or climate change and other long-term environmental, social and governance matters and global health risks;
- Risks related to changes in U.S. or foreign tax laws, including a U.S. or foreign tax rate change, potential changes in guidance related to the U.S. Inflation Reduction Act, the Organisation for Economic Co-operation and Development's (OECD) global minimum corporate tax regime, and other local policy changes;
- Competitive pressures, including as a result of innovation, in each of our businesses;
- Volatility or declines in premiums or other adverse trends in the insurance industry;
- The higher level of variability inherent in contingent and supplemental revenues versus standard commission revenues;
- Risks particular to our benefit consulting operations, including risks related to the acquisition of Buck;
- Risks particular to our third-party claims administrations operations, including risks related to the availability of RISX-FACS®, our proprietary risk management information system, wage inflation, staffing shortages, any slowing of the trend toward outsourcing claims administration, and the concentration of large amounts of revenue with certain clients;
- Climate risks, including the risk of a systemic economic crisis and disruptions to our business caused by the transition to a low-carbon economy;
- Cyber-attacks or other cybersecurity incidents such as the ransomware incident we publicly disclosed in September 2020 and the heightened risk of such attacks as a result of the wars in Ukraine and the Middle East, improper disclosure of confidential, personal or proprietary data and changes to laws and regulations governing cybersecurity and data privacy;
- Unfavorable determinations related to contingencies and legal proceedings;
- Violations or alleged violations of the U.S. Foreign Corrupt Practices Act (which we refer to as FCPA), the United Kingdom (U.K.) Bribery Act 2010 or other anti-corruption laws and the Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act, and the outcome of any existing or future investigation, review, regulatory action or litigation;
- Failure to comply with regulatory requirements, including those related to governance and control requirements in particular jurisdictions, international sanctions, including new sanctions laws as a result of the wars in Ukraine and the Middle East; laws relating to the disclosure of ESG-related matters; laws relating to the use of AI, or a change in

regulations or enforcement policies that adversely affects our operations (for example, relating to insurance broker compensation methods or restrictions on non-competes);

- Changes to our financial presentation from new accounting estimates and assumptions;
- Intellectual property risks;
- Risks related to our legacy clean energy investments, including intellectual property claims, environmental and product liability claims, environmental compliance costs and the risk of disallowance by the Internal Revenue Service of previously claimed tax credits;
- The risk that our outstanding debt adversely affects our financial flexibility and restrictions and limitations in the agreements and instruments governing our debt;
- The risk of credit rating downgrades;
- The risk we may not be able to receive dividends or other distributions from subsidiaries, including the effects of significant changes in foreign exchange rates;
- The risk of share ownership dilution when we issue common stock; and
- Volatility of the price of our common stock.

Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions, including the risk factors referred to above. Our future performance and actual results or outcomes may differ materially from those expressed in forward-looking statements. Accordingly, you should not place undue reliance on forward-looking statements, which speak only as of, and are based on information available to us on, the date of the applicable document. Many of the factors that will determine these results are beyond our ability to control or predict. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Forward-looking statements speak only as of the date that they are made, and we do not undertake any obligation to update any such statements or release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this report or to reflect new information, future or unexpected events or otherwise, except as required by applicable law or regulation. In addition, historical, current and forward-looking sustainability-related or ESG-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.

A detailed discussion of the factors that could cause actual results to differ materially from our published expectations is contained under the heading “Risk Factors” in our filings with the Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, and any other reports we file with the SEC in the future.

Arthur J. Gallagher & Co.
Annual Report on Form 10-K
For the Fiscal Year Ended December 31, 2023
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Part I

Item 1. Business.

Overview

Arthur J. Gallagher & Co. and its subsidiaries, collectively referred to herein as we, our, us or Gallagher, are engaged in providing insurance brokerage, reinsurance brokerage, consulting, and third-party property/casualty claims settlement and administration services to entities and individuals around the world. We believe that our major strength is our ability to deliver comprehensively structured insurance, reinsurance and risk management solutions, superior claim outcomes and comprehensive consulting services to our clients.

Our brokerage segment operations provide brokerage and consulting services to entities of all types, including commercial, nonprofit, public sector entities, insurance companies and insurance capital providers, and to a lesser extent, individuals, in the areas of insurance and reinsurance placements, risk of loss management, and management of employer sponsored benefit programs. Our risk management segment operations provide contract claim settlement, claim administration, loss control services and risk management consulting for commercial, nonprofit, captive and public sector entities, and various other organizations that choose to self-insure property/casualty coverages or choose to use a third-party claims management organization rather than the claim services provided by an underwriting enterprise.

We do not assume underwriting risk on a net basis, other than with respect to de minimis amounts necessary to provide minimum or regulatory capital to organize captives, pools, specialized underwriters or risk-retention groups. Rather, capital necessary for covering events of loss is provided by “underwriting enterprises,” which we define as insurance companies, reinsurance companies and various other risk-taking entities, including intermediaries of underwriting enterprises, that we do not own or control.

Since our founding in 1927, we have grown from a one-person insurance agency to the world’s third largest insurance broker/risk manager based on market capitalization as of December 31, 2023 and, according to *Business Insurance* magazine’s July/August 2023 edition, to the world’s fourth largest insurance broker based on revenues, and one of the world’s largest property/casualty third party claims administrators, according to *Business Insurance* magazine’s May 2023 edition.

We report our results in three segments: brokerage, risk management and corporate. The brokerage and risk management segments contributed approximately 86% and 14%, respectively, to 2023 revenues. We generate approximately 64% of our revenues from the combined brokerage and risk management segments in the U.S., with the remaining 36% generated internationally, primarily in Australia, Canada, New Zealand and the U.K. The corporate segment did not generate revenues in 2023. Our ability to generate tax credits from qualified refined coal pursuant to Internal Revenue Code Section 45 (which we refer to as IRC Section 45) ended in December 2021, and in 2022 we ran off existing chemical supplies as part of the wind down of such investments’ operations, which generated some revenues.

Shares of our common stock are traded on the New York Stock Exchange under the symbol “AJG”, and we had a market capitalization at December 31, 2023 of approximately \$48.7 billion. Information in this report is as of December 31, 2023 unless otherwise noted. We were reincorporated as a Delaware corporation in 1972. Our executive offices are located at 2850 Golf Road, Rolling Meadows, Illinois 60008-4050, and our telephone number is (630) 773-3800.

Operating Segments

We report our results in three segments: brokerage, risk management and corporate. The major sources of our operating revenues are commissions, fees and supplemental and contingent revenues from our brokerage operation, and fees, including performance-based fees, from our risk management operations. The corporate segment generated revenues from our clean energy investments through 2022.

Our business, particularly our brokerage business, is subject to seasonal fluctuations. Commissions, fees, supplemental revenues and contingent revenues, and our costs to obtain and fulfill the service obligations to our clients, can vary from quarter to quarter as a result of the timing of contract-effective dates. On the other hand, salaries and employee benefits, rent, depreciation and amortization expenses generally tend to be more uniform throughout the year. The timing of acquisitions, recognition of books of business gains and losses and, prior to 2022, the variability in the recognition of tax credits generated by our clean energy investments also impact the trends in our quarterly operating results.

Brokerage Segment

The brokerage segment accounted for 86% of our revenues in 2023. Our brokerage segment operates through a network of more than 590 sales and service offices located throughout the U.S. and more than 300 sales and service offices in approximately 60 countries, most of which are in the Australia, Canada, New Zealand and the U.K. Most of these offices are fully staffed with sales and service personnel. We offer client service capabilities in more than 130 countries around the world through our direct operations as well as through a network of correspondent brokers and consultants.

Domestic Retail Insurance Brokerage Operations

Our retail insurance brokerage operations accounted for 73% of our brokerage segment revenues in 2023. Our retail brokerage operations place nearly all lines of commercial property/casualty and health and welfare insurance coverage. Significant lines of insurance coverage and consultant capabilities are as follows:

Aviation	Disability	General Liability	Products Liability
Casualty	Earthquake	Health & Welfare	Professional Liability
Claims Advocacy	Errors & Omissions	Healthcare Analytics	Property
Commercial Auto	Exchange Solutions	Human Resources	Retirement
Compensation	Executive Benefits	Institutional Investment	Surety Bond
Cyber Liability	Fiduciary Services	Loss Control	Voluntary Benefits
Dental	Fine Arts	Marine	Wind
Directors & Officers Liability	Fire	Medical	Workers' Compensation

Our retail brokerage operations are organized and operate within certain key niche/practice groups, which account for approximately 78% of our retail brokerage revenues. These specialized teams target areas of business and/or industries in which we have developed a depth of expertise and a large client base. Significant niche/practice groups we serve are as follows:

Affinity	Equity Advisors	Life Sciences	Real Estate/Hospitality
Automotive	Financial Institutions	Manufacturing	Religious
Aviation	Food/Agribusiness	Marine	Restaurant
Construction	Global Risks	Nonprofit	Retail and Services
Energy	Healthcare	Personal	Technology & Communications
Entertainment	Higher/K12 Education	Private Client	Trade Credit/Political Risk
Environmental	Law Firms	Public Sector	Transportation

Our specialized focus on these niche/practice groups allows for highly-focused marketing efforts and facilitates the development of value-added products and services specific to those industries. We believe that our detailed understanding and broad client contacts within these niche/practice groups provide us with a competitive advantage.

We anticipate that our retail brokerage operations' greatest revenue growth over the next several years will continue to come from:

- Our niche/practice groups and middle-market accounts;
- Cross-selling other brokerage products to existing clients;
- Mergers and acquisitions; and
- Developing and managing alternative market mechanisms such as captives, rent-a-captives and deductible plans/self-insurance.

International and Other Brokerage Related Operations

We operate as a retail commercial property and casualty broker throughout 39 locations in Australia, 44 locations in Canada and 33 locations in New Zealand. In the U.K., we operate as a retail broker from approximately 88 locations. We also have specialty, wholesale, underwriting and reinsurance intermediary operations in London for clients to access Lloyd's of London and other international underwriting enterprises, and a program operation offering customized risk management products and services to U.K. public entities. See the discussion below regarding our "Global Reinsurance Brokerage Operations."

In Bermuda, we act principally as a wholesale broker for clients looking to access Bermuda-based underwriting enterprises and we also provide management and administrative services for captive insurance entities.

We also have strategic brokerage alliances with a variety of independent brokers in countries where we do not have a local office presence. Between our direct operations and this global network of correspondent insurance brokers and consultants, we are able to serve our clients' coverage and service needs in approximately 130 countries around the world.

Global Reinsurance Brokerage Operations

Our reinsurance brokerage operations (which we refer to as Gallagher Re) accounted for 12% of our brokerage segment revenues in 2023. Gallagher Re operates from more than 70 offices across 31 countries, with specialist expertise, underpinned by a portfolio of analytics capabilities including catastrophe modeling, dynamic financial analysis, rating agency analysis and capital modeling. Our reinsurance brokers assist underwriting enterprises, such as insurance companies and managing general underwriters, to secure protection or reinsurance from another insurance company for a specific risk or class of risks, including negotiating rates and terms and while sourcing the best-suited contracts available on the market. Additionally, through Gallagher Securities, Gallagher Re provides capital markets services, including acting as underwriter, with respect to insurance-linked securities, weather derivatives, capital raising and selected merger and acquisition advisory activities. We anticipate growing Gallagher Re by increasing the number of underwriting enterprise clients, deepening our relationships with current underwriting enterprise clients, developing new products, further building out our facultative capabilities, and through mergers and acquisitions.

Wholesale Insurance Brokerage Operations

Our wholesale insurance brokerage operations accounted for 15% of our brokerage segment revenues in 2023. Our wholesale brokers assist our retail brokers and other non-affiliated brokers in the placement of specialized and hard-to-place insurance. These brokers operate through approximately 147 offices primarily located across the U.S., Bermuda and through our approved Lloyd's of London brokerage operation. More than 84% of our wholesale brokerage revenues comes from non-affiliated brokerage clients.

In certain cases we act as a brokerage wholesaler, and in other cases we act as a managing general agent or managing general underwriter, distributing specialized insurance coverages for underwriting enterprises. Managing general agents and managing general underwriters are agents authorized by an underwriting enterprise to manage all or a part of its business in a specific geographic territory. Activities they perform on behalf of the underwriting enterprise may include marketing, underwriting (although we do not assume any underwriting risk), issuing policies, collecting premiums, appointing and supervising other agents, paying claims and negotiating reinsurance.

We believe our growth prospects for our wholesale brokerage operations depend on increasing the number of broker-clients, developing new managing general agency and underwriter programs, and through mergers and acquisitions.

Captive Underwriting Enterprises

We have ownership interests in several underwriting enterprises based in the U.S., Bermuda, Gibraltar, Guernsey and Isle of Man that primarily operate segregated account "rent-a-captive" facilities. These "rent-a-captive" facilities enable our clients to receive the benefits of participating in a captive underwriting enterprise without incurring certain disadvantages of ownership. In Malta and Ireland, we act as managers of underwriting enterprises.

We also have a wholly owned underwriting enterprise subsidiary based in the U.S. that cedes all of its insurance risk of loss to reinsurers or captives under facultative and quota-share treaty reinsurance agreements. See Note 18 to our 2023 consolidated financial statements for additional financial information related to the insurance activity of our wholly owned underwriting enterprise subsidiary for 2023, 2022 and 2021.

Risk Management Segment

Our risk management segment accounted for 14% of our revenues in 2023. Approximately 62% of our risk management segment's revenues are from workers' compensation-related claims, 31% are from general and commercial auto liability-related claims and 7% are from property-related claims in 2023.

Risk management services are primarily marketed on an independent basis from our brokerage operations, to Fortune 1000 companies, larger middle-market companies, nonprofit organizations, public sector entities, and underwriting enterprises, such as insurance carriers and captives. We manage our third party claims adjusting operations through a network of more than 40 offices located throughout Australia, Canada, New Zealand, the U.K. and the U.S. Most of these offices are fully staffed with claims adjusters and other service personnel. Our adjusters and service personnel act solely on behalf and under the instruction of our clients.

While this segment complements our brokerage offerings, approximately 93% of our risk management segment's revenues come from clients not affiliated with our brokerage operations, such as underwriting enterprises and clients of other insurance brokers.

We expect that the risk management segment's most significant growth prospects through the next several years will come from:

- Program business and the outsourcing of portions of underwriting enterprise claims departments;
- Increased levels of business with Fortune 1000 companies;
- Larger middle-market companies and captives; and
- Mergers and acquisitions.

Corporate Segment

We wound down our clean investment energy investments' operations in 2022 and the corporate segment did not generate revenues in 2023.

The corporate segment reports the financial information related to our debt, clean energy investments, external acquisition-related expenses, other corporate costs and the impact of foreign currency remeasurement. As a result, the timing of acquisitions and prior to 2022, the variability in the recognition of tax credits generated by our clean energy investments, impact the trends in our quarterly operating results.

We have investments in limited liability companies that own or owned 35 commercial clean coal production facilities that are qualified to produce refined coal using Chem-Mod LLC's proprietary technologies. These operations produced refined coal that we believe qualifies for tax credits under IRC Section 45. The law that provides for IRC Section 45 tax credits expired as of December 31, 2019 for 14 of our plants and expired on December 31, 2021 for the other 21 plants. Chem-Mod LLC (described below) is a privately held enterprise that has commercialized multi-pollutant reduction technologies to reduce mercury, sulfur dioxide and other emissions at coal-fired power plants. We own 46.5% of Chem-Mod LLC and are its controlling managing member. We also have a 12.0% noncontrolling interest in two dormant, privately-held, enterprises, C-Quest Technology LLC and C-Quest Technologies International LLC (which we refer to together as, C-Quest), which own technologies that reduce carbon dioxide emissions created by burning fossil fuels. At this time, it is unclear if C-Quest will ever become commercially viable.

Competition

Brokerage Segment

The insurance and reinsurance brokerage and consulting businesses are highly competitive and there are many organizations and individuals throughout the world who actively compete with us in every area of our business. Additionally, we also face competition from insurance and reinsurance carriers that market, distribute and service a portion of their products directly, and in some cases from banks, consulting and accounting firms, and technology companies that can provide alternative risk management products or services.

We believe that the primary factors determining our competitive advantage are the quality of the services we render, the personalized attention we provide, the individual and corporate expertise providing the actual service to the client, the data analytics and technology capabilities we have built and the overall cost efficiencies we create for our clients. We provide sophisticated data analysis and other data and benchmarking insights through a product offering we refer to as Gallagher Drive to help our clients make insurance decisions. Through our SmartMarket platform, we also provide insurance carriers with individualized preference setting and risk identification capabilities, as well as performance data and metrics. We believe these capabilities provide a growing competitive advantage with respect to many of the smaller organizations with which we compete.

Risk Management Segment

Our risk management business competes with a number of companies varying in size and scope, including global independent third party claims administrators, regional third party claims administrators, insurance owned claims administrators and legal firms in certain jurisdictions. We believe that the primary factors determining our competitive position are our ability to deliver better outcomes, reputation for outstanding service, cost-efficient service and financial strength.

Business Combinations

We completed over 700 acquisitions from January 1, 2002 through December 31, 2023. The majority of these acquisitions have been smaller regional or local brokerages, agencies, or employee benefit consulting operations with a middle or small client focus and/or significant expertise in one of our niche/practice groups. The total purchase price for individual acquisitions has typically ranged from \$1.0 million to \$100.0 million. During 2023, we also completed several acquisitions that were larger than our usual tuck-in acquisitions, namely the acquisitions of Buck, Cadence Insurance and Eastern Insurance, within our brokerage segment, and the acquisition of My Plan Manager, within our risk management segment.

Through these acquisitions, we seek to expand our talent pool, enhance our geographic presence and service capabilities, or further diversify our business mix. We also focus on identifying:

- A corporate culture that matches our sales-oriented and ethics-based culture;
- A profitable, growing business whose ability to compete would be enhanced by gaining access to our greater resources; and
- Clearly defined financial criteria.

See Note 3 to our 2023 consolidated financial statements for a summary of our 2023 acquisitions, the amount and form of the consideration paid and the dates of acquisitions.

Clients

Our client base is highly diversified and includes commercial, industrial, public sector, religious and nonprofit entities, as well as underwriting enterprises in our reinsurance operations and risk management segment. In 2023, our largest single client represented approximately 1% and our ten largest clients together represented approximately 3% of our combined brokerage and risk management segment revenues.

Human Capital

As of December 31, 2023, we had approximately 52,000 employees, with approximately 45% in the U.S. and 55% outside of the U.S. Approximately 62% of our employees work in our brokerage segment and 15% in our risk management segment. Our remaining employees work in our corporate segment, primarily at our headquarters and at Gallagher Centers of Excellence in India. In 2023, our total compensation expense was \$4,769.1 million for the brokerage segment and \$776.8 million for the risk management segment, representing 55% and 60%, respectively, of brokerage and risk management segment revenues. Additional information regarding compensation expense, both on a reported and an adjusted basis can be found elsewhere in this report under Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Hiring and Retention

While many of our new employees come to us through mergers and acquisitions and traditional hiring, "growing our own" has long been a key part of our human capital strategy. Our summer internship program began more than fifty years ago with a single intern. Since then, our program has grown globally and, during the summer of 2023, we employed approximately 500 interns. We provide our interns with professional development and on-the-job sales training that gives them the opportunity to cultivate expertise and accelerate their full-time sales career growth.

We invest in our employees and aim to offer competitive compensation and benefits packages. We acknowledge the changing work landscape and promote hybrid work arrangements, aiming to provide our employees with flexibility and work-life balance. Further, we conduct periodic global engagement surveys that have had increasingly strong participation and positive results.

Employee Learning and Development

We have programs around the world that offer learning and development opportunities to our employees. For example, the Achieve Gallagher Career Associate Programs are North American career development programs, that combine formal training, with experiential learning to provide participants the knowledge needed to be successful as client service and sales professionals, respectively. Similarly, we offer development programs outside the U.S., including Australia, India, and the U.K. We provide on-demand access to over 35,000 globally accessible business skills learning assets across 18 languages.

Inclusion and Diversity

We aim to foster an environment that values and leverages the diverse talents, perspectives and ideas of all employees so they can reach their fullest potential. As of December 31, 2023, approximately 58% of our employees were women, including 47% of managers and 41% of producers. In the U.S., approximately 27% of our employees were racially/ethnically diverse, including 17% of managers and 21% of producers.

Regulation

Many of our activities throughout the world are subject to supervision and regulations promulgated by regulatory or self-regulatory bodies such as the SEC, the NYSE, the U.S. Department of Justice (DOJ), the IRS, the Office of Foreign Assets Control, the Federal Trade Commission (FTC) the Financial Industry Regulatory Authority (FINRA) and the Financial Crimes Enforcement Network in the U.S., the Financial Conduct Authority in the U.K., the Australian Securities and Investments Commission in Australia and insurance regulators in nearly every jurisdiction in which we operate. Our retirement-related consulting and investment services are subject to pension law and financial regulation in many countries. Our activities are also subject to a variety of other laws, rules and regulations addressing, among others, licensing, data privacy, wage-and-hour standards, employment and labor relations, anti-trust, anti-corruption, currency exchange, cash reserves and local investment. As we continue to implement new technology and AI initiatives across our business we also expect to be subject to additional regulations related to the use of such new technologies.

The global nature of our operations increases the complexity and cost of compliance with laws and regulations, including increased staffing needs, the development of new policies, procedures and internal controls and providing training to employees in multiple locations, adding to our cost of doing business. Many of these laws and regulations may have differing or conflicting legal standards across jurisdictions, increasing further the complexity and cost of compliance. In emerging markets and other jurisdictions with less developed legal systems, local laws and regulations may not be established with sufficiently clear and reliable guidance to provide us with adequate assurance that we are aware of all necessary licenses to operate our business, that we are operating our business in a compliant manner, or that our rights are otherwise protected. In addition, major political and legal developments in jurisdictions in which we do business may lead to new regulatory costs and challenges. For example, China adopted a “blocking” statute similar to that of the European Union (EU) requiring compliance with certain Chinese laws if they conflict with U.S. laws. Rising global tensions and protectionism may also lead other countries to adopt similar measures, which could make it more difficult and costly for us to expand our operations globally.

In addition, as regulators and investors continue to focus on climate change and other sustainability issues, we are subject to new and increasingly complex disclosure frameworks and regulations. For example, the Corporate Sustainability Reporting Directive (CSRD) became effective in 2022 and we expect that some of our EU subsidiaries will be required to start reporting under the CSRD in 2025. The SEC has also proposed new climate change disclosure requirements, and compliance with such rules, when enacted, will require significant effort which may not be complementary with our CSRD compliance efforts given both regulations differ substantially. Further, in 2023 the State of California enacted sweeping climate change disclosure requirements, which may also conflict with the CSRD and the SEC requirements. We are also subject to several sustainability-related reporting requirements in Canada and the U.K. and expect that similar requirements will be enacted in Australia and other jurisdictions in which we operate. Our compliance with these frameworks and regulations have required, and will continue to require, significant resources.

Regulations promulgated by the U.S. Treasury Department pursuant to FATCA require us to take various measures relating to non-U.S. funds, transactions and accounts.

Available Information

Our executive offices are located at 2850 Golf Road, Rolling Meadows, Illinois 60008-4050, and our telephone number is (630) 773-3800. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, are available free of charge on our website at <http://investor.ajg.com/sec-filings> as soon as reasonably practicable after electronically filing or furnishing such material to the SEC. The SEC also maintains a website (www.sec.gov) that includes our reports, proxy statements and other information. Unless expressly noted, the information on our website, including our investor relations website, or any other website is not incorporated by reference in this Form 10-K and should not be considered part of this Form 10-K or any other filing we make with the SEC.

Item 1A. Risk Factors.

Risk Factor Summary

- Global economic and geopolitical events, such as inflation, monetary policy responses and changing interest rates; a recession or economic downturn, political violence, and instability, including geo-economic fragmentation, could adversely affect our results of operations and financial condition.
- Economic conditions that result in financial difficulties for underwriting enterprises or lead to reduced risk-taking capital capacity could adversely affect our results of operations and financial condition.
- We have historically acquired large numbers of insurance brokers, benefit consulting firms and, to a lesser extent, third party claims administration and risk management firms. We may not be able to continue such an acquisition strategy in the future and there are risks associated with such acquisitions, which could adversely affect our growth and results of operations.
- We face additional risks relating to acquisitions that are larger than our usual tuck-in acquisitions, including that these acquisitions will not perform as expected and that we cannot successfully integrate complex operations.
- Damage to our reputation could have a material adverse effect on our business.
- Our sustainability and ESG-related aspirations, goals and initiatives, and our public statements and disclosures regarding them, expose us to numerous risks.
- If we are unable to apply technology and data analytics effectively in driving value for our clients through technology-based solutions or gain internal efficiencies and effective internal controls through the application of technology and related tools, our operating results, client relationships, growth and compliance programs could be adversely affected.
- We are subject to risks associated with AI.
- Our success depends, in part, on our ability to attract and retain qualified talent, including our senior management team.
- The substantial increase in remote work among our employees subjects us to certain challenges and risks.
- Business disruptions could have a material adverse effect on our operations, damage our reputation and impact client relationships.
- Sustained increases in compensation expense and the cost of employee benefits could reduce our profitability.
- Our substantial operations outside the U.S. expose us to risks different than those we face in the U.S.
- Changes in tax laws could adversely affect us.
- We face significant competitive pressures in each of our businesses.
- Volatility or declines in premiums or other adverse trends in the insurance industry may seriously undermine our profitability.
- Contingent and supplemental revenues we receive from underwriting enterprises are less predictable than standard commission revenues, and any decrease in the amount of these forms of revenue could adversely affect our results of operations.
- We face a variety of risks in our benefit consulting operations distinct from those we face in our insurance brokerage operations.
- We face a variety of risks in our third-party claims administration operations that are distinct from those we face in our brokerage and benefit consulting operations.
- Climate risks, including the risk of an economic crisis, risks associated with the physical effects of climate change and disruptions caused by the transition to a low-carbon economy, could adversely affect our business, results of

operations and financial condition.

Regulatory, Legal and Accounting Risks

- Improper disclosure of confidential, personal or proprietary information and cybersecurity attacks or other security breach of our information systems, or those of third-party vendors we rely on, could result in regulatory scrutiny, legal liability or reputational harm, and could adversely affect our business, financial condition and reputation.
- We are subject to a number of contingencies and legal proceedings which, if determined unfavorably to us, would adversely affect our financial results.
- Changes in data privacy and protection laws and regulations, or any failure to comply with such laws and regulations, could adversely affect our business and financial results.
- We could be adversely affected by violations or alleged violations of laws that impose requirements for the conduct of our overseas operations, including the FCPA, the U.K. Bribery Act or other anti-corruption laws, sanctions laws, and FATCA.
- We are subject to regulation worldwide. If we fail to comply with regulatory requirements or if regulations change in a way that adversely affects our operations, we may not be able to conduct our business, or we may be less profitable.
- We are subject to a number of contingencies and legal proceedings which, if determined unfavorably to us, would adversely affect our financial results.
- Changes in our accounting estimates and assumptions could negatively affect our financial position and operating results.
- Limited protection of our intellectual property could harm our business and our ability to compete effectively, and we face the risk that our services or products may infringe upon the intellectual property rights of others.

Risks Relating to our Investments, Debt and Common Stock

- Our clean energy investments are subject to various risks and uncertainties.
- The IRC Section 45 operations in which we have invested and the by-products from such operations may result in environmental and product liability claims and environmental compliance costs.
- We have debt outstanding that could adversely affect our financial flexibility and subjects us to restrictions and limitations that could significantly impact our ability to operate our business.
Credit rating downgrades would increase our financing costs and could subject us to operational risk.
- We are a holding company and, therefore, may not be able to receive dividends or other distributions in needed amounts from our subsidiaries.
- Future sales or other dilution of our equity could adversely affect the market price of our common stock.

Risks Relating to our Business Generally

Global economic conditions and geopolitical events may cause unstable economic conditions in the countries, regions or industries in which we operate and adversely affect our results of operations and financial condition.

Global economic events, including accommodative monetary and fiscal policies, have contributed to significant inflation in many markets in which we operate. To combat inflation and restore price stability, the U.S. Federal Reserve and other central banks raised interest rates in 2023. While moderate inflation generally benefits our industry by increasing insurable asset values, increased inflation and higher interest rates have had far-reaching negative effects on the global economy during the past several years. Geopolitical conflicts such as the wars in Ukraine and the Middle East, geo-economic fragmentation, climate change, the transition to a low-carbon economy, political crises like potential U.S. governmental shutdowns or gridlock over increasing the U.S. debt ceiling, and political violence and instability worldwide could also weigh negatively on the economy.

A recession or decline in economic activity, for these and any other reasons, could adversely impact us in future periods. This could happen, for example, if our clients reduce the amount of insurance coverage, reinsurance coverage, consulting services or

claims administration services they purchase due to reductions in headcount, payroll, or replacement and asset values, among other factors. Whether these reductions are caused by an overall economic downturn or declines in certain countries, regions and industries in which we operate, our commission and fee revenues, consulting revenues, or revenues from managing third-party insurance claims could be adversely impacted. Some of our clients may also experience liquidity problems or other financial difficulties due to tightening credit markets or lower levels of economic activity. If our clients file for bankruptcy, liquidate their operations, consolidate or are generally unable to meet their obligations, our revenues, ability to collect receivables and liquidity could be adversely impacted, which could have an adverse effect on our results of operations and financial condition.

Uncertain economic conditions have created volatility in the U.S. and other markets where we operate. A rise in the cost of labor, cost of capital, or interest and tax rates, among other things, could negatively impact our operating and general and administrative expenses. We have no or limited control over such developments. If our costs grow significantly, our margins and results of operations may be materially and adversely impacted and we may not be able to achieve our strategic and financial objectives. Further, a tightening of credit or capital markets could negatively impact our business, financial condition and liquidity, including our ability to continue to access preferred sources of liquidity when needed and under similar terms, which may increase our capital costs. We could also experience losses on holdings of cash and investments due to failures of financial institutions and other counterparties. Thus, a deterioration in macroeconomic conditions could adversely affect our business, results of operations or financial condition.

Lower interest rates in the future could reduce investment earnings on our cash, revenue from our premium financing operations and short-term investments of fiduciary and operating funds. In addition, lower levels of inflation in the future may reduce our revenue growth by slowing the increase in insurable asset values.

Economic conditions that result in financial difficulties for underwriting enterprises or lead to reduced risk-taking capital capacity could adversely affect our results of operations and financial condition.

We have a significant amount of receivables from certain of the underwriting enterprises with which we place insurance and reinsurance. If those companies experience liquidity problems or other financial difficulties, we could encounter delays or defaults in payments owed to us, which could have a significant adverse impact on our consolidated financial condition and results of operations. The failure of an underwriting enterprise with which we place business could result in E&O claims against us by our clients. Further, the failure of E&O underwriting enterprises could make the E&O insurance we rely upon cost prohibitive or unavailable. Underwriting enterprises are also clients of Gallagher Re and, as such, any of the negative developments for underwriting enterprises referred to above could also reduce our commission revenues from such clients. Any of these developments could adversely affect our results of operations and financial condition. In addition, if underwriting enterprises merge, fail, or withdraw from offering certain lines of coverage, for example, because of large payouts related to climate or weather events or other emerging risk areas, overall risk-taking capital capacity could be negatively affected, which could reduce our ability to place certain lines of coverage, reduce demand from the insurance company clients of Gallagher Re and, as a result, reduce our revenues and profitability.

We have historically acquired large numbers of insurance brokers, benefit consulting firms and, to a lesser extent, third party claims administration and risk management firms. We may not be able to continue such acquisition strategy in the future and there are risks associated with such acquisitions, which could adversely affect our growth and results of operations.

Our ordinary-course acquisition program has been an important part of our historical growth, particularly in our brokerage segment, and we believe that similar acquisition activity will be important to maintaining comparable growth in the future. Failure to successfully identify and complete acquisitions would likely result in slower growth. Continuing consolidation in our industry and a high level of interest in acquiring insurance brokers on the part of private equity firms, private equity-backed consolidators and newly public insurance brokers has, in some cases, made, and could in the future make, appropriate acquisition targets more difficult to identify and more expensive. Even if we are able to identify appropriate acquisition targets, we may not have sufficient capital to fund acquisitions, be able to execute transactions on favorable terms or integrate targets in a manner that allows us to realize the benefits we have historically experienced from acquisitions. When regulatory approval of acquisitions is required, our ability to complete acquisitions may be limited by an ongoing regulatory review or other issues with the relevant regulator. Our ability to finance and integrate acquisitions may also decrease if we complete a greater number of larger acquisitions than we have historically. See the risk factor below regarding larger acquisitions. See also Note 3 to our 2023 consolidated financial statements for information regarding the size of transactions in the reporting period.

Post-acquisition risks include poor cultural fit and risks relating to retention of personnel, retention of clients, entry into unfamiliar or complex markets or lines of business, contingencies or liabilities, such as violations of sanctions laws or anti-corruption laws including the FCPA and U.K. Bribery Act, risks relating to ensuring compliance with licensing and regulatory requirements, tax and accounting issues, the risk that an acquisition distracts management and personnel from our existing business, and integration difficulties relating to accounting, information technology (which we refer to as IT), pay equity, or

human resources, some or all of which could have an adverse effect on our results of operations and growth. The failure of acquisition targets to achieve anticipated revenue and earnings levels could also result in goodwill impairment charges.

We face additional risks relating to acquisitions that are larger than our usual tuck-in acquisitions described above.

We can provide no assurance that we will be able to successfully integrate the operations of acquisitions that are larger than our usual tuck-in acquisitions, such as Willis Re, Buck, Eastern Insurance, Cadence Insurance and My Plan Manager, that they will perform as expected, or that we will not incur unforeseen obligations or liabilities. Integration efforts relating to larger acquisitions are more complex, including with respect to technology systems, which may divert management's attention and resources and could adversely affect our operating results. In addition, we have made certain assumptions relating to these acquisitions that may be inaccurate, including as a result of the failure to realize expected benefits, higher than expected integration costs and unknown liabilities as well as general economic and business conditions. These assumptions relate to various matters, including projections of future revenues, non-GAAP measures, expenses and expense allocation; our ability to maintain, develop and deepen relationships with employees, including key brokers, and clients; the amount of goodwill and intangibles; and other unforeseen compliance, financial and strategic risks.

Damage to our reputation could have a material adverse effect on our business.

Our reputation is one of our key assets. We advise our clients on and provide services related to a wide range of subjects and our ability to attract and retain clients is highly dependent upon the external perceptions of our expertise, level of service, ability to protect client information, trustworthiness, business practices, financial condition and other subjective qualities such as ethics, culture and values. Our success is also dependent on maintaining a good reputation with existing and potential employees, investors, regulators and the communities in which we operate. Negative perceptions or publicity regarding these matters, including our association with clients or business partners with damaged reputations, or from actual or alleged conduct by us or our employees, including corruption or bribery allegations (for example, those in connection with the previously-disclosed investigation of our business in Ecuador) or cybersecurity incidents (for example, as disclosed in previous filings, we experienced a ransomware attack in 2020) could damage our reputation. Negative publicity resulting from one of our marketing partnerships (for example, with a sports team or league) could damage our brand and/or our reputation. Our reputation could also be harmed by negative perceptions or publicity regarding sustainability or ESG matters, including concerns with environmental, climate change, workforce diversity, political spending, pay equity, harassment, racial justice, cybersecurity and data privacy matters, as well as backlash against sustainability or ESG initiatives generally. Negative publicity may be posted on social media or other Internet forums, whether or not true, and the speed and pervasiveness with which information can be disseminated through these channels, in particular social media, may magnify the risks noted above. Any resulting erosion of trust and confidence could make it difficult for us to attract and retain clients, employees or investors; result in lower ESG ratings, exclusion of our stock from ESG-oriented indices, and reduced demand for our stock from ESG-focused investment funds; increase our cost of borrowing; or harm our relationships with regulators and the communities in which we operate. Any of these matters could have a material adverse effect on our business, financial condition and results of operations. As we venture into new jurisdictions and markets globally, negative reputational events (whether arising from regulatory matters or otherwise) may have a disproportionate impact in locations or markets where our employee and client presence is limited. Any negative publicity could potentially hinder our growth prospects in such locations or markets. See below for additional risk factors regarding climate change and ESG initiatives and disclosures.

Our ESG-related aspirations, goals and initiatives, and our statements and disclosures regarding ESG-related matters, expose us to numerous risks.

The increased focus on ESG issues has made compliance with regulations, frameworks and stakeholder expectations increasingly complex. Our business faces increased scrutiny from the investment community, clients, employees, potential acquisition targets, regulators and other stakeholders related to our ESG activities. This includes scrutiny regarding our goal to reach Net Zero carbon emissions in our direct operations (Scope 1 and Scope 2) by 2050 and our interim goal of 50% reduction in our Scope 1 and Scope 2 carbon emissions, on a per employee basis, by 2030. We anticipate the same level of scrutiny with respect to any other goals, targets and objectives we may announce in the future, and our methodologies and timelines for pursuing them. Heightened scrutiny has increased the risk that we could be perceived as, or accused of, making inaccurate or misleading statements, commonly referred to as "greenwashing." If our ESG practices and disclosures do not comply with regulations or align with stakeholder expectations and standards, which are continuously evolving, our reputation, our ability to attract or retain employees and our attractiveness as an investment, business partner or as an acquirer could be negatively impacted. Similarly, our failure or perceived failure to pursue or fulfill our goals, targets and objectives, to comply with ethical, environmental or other standards, regulations or expectations or to satisfy various reporting standards with respect to these matters, could have the same negative impacts, as well as expose us to government enforcement actions and private litigation. See also "We are subject

to regulation worldwide. If we fail to comply with regulatory requirements or if regulations change in a way that adversely affects our operations, we may not be able to conduct our business, or we may be less profitable.”

If we are unable to apply technology and data analytics effectively in driving value for our clients through technology-based solutions or gain internal efficiencies and effective internal controls through the application of technology and related tools, our operating results, client relationships, growth and compliance programs could be adversely affected.

Our future success depends, in part, on our ability to anticipate and respond effectively to the risks and opportunities presented by digital disruption, “big data” and data analytics, AI and other developments in technology. These may include new applications or insurance-related services based on AI (e.g., generative AI, machine learning), robotics, blockchain, the metaverse or new approaches to data mining that impact the nature of how we generate revenue. We may be exposed to competitive risks related to the adoption and application of new technologies by established market participants (for example, through disintermediation or use of the metaverse) or new entrants such as technology companies, “Insurtech” start-up companies, and others. These new entrants are focused on using technology and innovation in an attempt to simplify and improve the client experience, increase efficiencies, alter business models and effect other potentially disruptive changes in the industries in which we operate. We must also develop and implement technology solutions and technical expertise among our employees that anticipate and keep pace with rapid and continuing changes in technology, industry standards, client preferences and internal control standards. We may not be successful in anticipating or responding to these developments on a timely and cost-effective basis and our ideas may not be accepted in the marketplace. Additionally, the effort to gain technological expertise, make use of data analytics, and develop new technologies in our business requires us to incur significant expenses. Investments in technology systems and data analytics capabilities may not deliver the benefits or perform as expected, or may be replaced or become obsolete more quickly than expected, which could result in operational difficulties or additional costs. If we cannot offer new technologies or data analytics solutions as quickly as our competitors, or if our competitors develop more cost-effective technologies, data analytics solutions or other product offerings, we could experience a material adverse effect on our operating results, client relationships, growth, and compliance programs.

In some cases, we depend on key third-party vendors and partners to provide technology and other support for our strategic initiatives. If these third parties fail to perform their obligations or cease to work with us, our ability to execute on our strategic initiatives could be adversely affected. See also “We are subject to risks associated with AI.”

We are subject to risks associated with AI.

We use AI in our business, including with respect to services provided to our clients. We have internal policies governing the use of AI by our employees designed to protect the company from breaches of data privacy, E&O liability and regulatory enforcement risk; however, our employees could violate these policies and expose us to such risks. Furthermore, our exposure to these risks may increase if our vendors, suppliers, or other third-party providers employ AI in relation to the products or services they provide to us, as we have limited control over such use in third-party products or services. These risks include, among others, the input of confidential information, including material non-public information, in contravention of our policies or contractual restrictions to which any of the foregoing are subject, or in violation of applicable laws or regulations, including those relating to data protection. This could result in such information becoming part of a dataset that is accessible by other third-party AI applications and users.

Additionally, AI heavily relies on the collection and analysis of extensive data sets. Due to the impracticality of incorporating all relevant data into the models used by AI, it is inevitable that data sets within these models will contain inaccuracies and errors, and potential biases. This could potentially render such models inadequate or flawed, negatively impacting the effectiveness of the technology. We are exposed to the risks associated with these inaccuracies, errors and biases, along with the adverse impacts that such flawed models could have on our business and operations. Furthermore, governance and ethical issues relating to the use of AI may also result in reputational harm and liability.

AI and its applications are developing rapidly. The use of this technology by our competitors may give them a competitive advantage that cannot be predicted at this time, and it may negatively affect our assumptions regarding the competitive landscape of our business. Consequently, it is difficult to predict all risks associated with this new technology, which may eventually impact our business, results of operations, or financial condition. See also “Changes in data privacy and protection laws and regulations, or any failure to comply with such laws and regulations, could adversely affect our business and financial results.”

Our success depends, in part, on our ability to attract and retain qualified talent, including our senior management team.

We depend upon members of our senior management team, who possess extensive knowledge and a deep understanding of our business and strategy. We could be adversely affected if we fail to successfully execute our succession plans for these leaders, including our chief executive officer, and if our succession plans are not well-received by our employees and trading partners. We could also be adversely affected if we fail to attract and retain talent and foster a diverse and inclusive workplace throughout our organization. Competition for talent is intense in many areas of our business, particularly in our claims management business, IT and in rapidly developing fields such as AI and data engineering. Furthermore, the increased availability of remote

working arrangements has expanded the pool of companies that compete with us for talent. As competition for skilled professionals remains intense, employers are implementing new offerings to attract talent, including but not limited to increasing compensation, enhancing health and wellness solutions, and providing in-office and remote work options. We may have to devote significant resources to attract and retain talent, which could negatively affect our business, operating results and financial condition.

In addition, our industry has experienced competition for leading brokers and in the past we have lost key brokers and groups of brokers, along with their clients, business relationships and intellectual property directly to our competition. We enter into agreements with many of our brokers and significant client-facing employees and all of our executive officers, which prohibit them from disclosing confidential information and/or soliciting our clients, prospects and employees upon their termination of employment. The confidentiality and non-solicitation provisions of such agreements terminate in the event of a hostile change in control, as defined in the agreements. Although we pursue legal actions for alleged breaches of non-compete or other restrictive covenants, theft of trade secrets, breaches of fiduciary duties, intellectual property infringement and related causes of action, such legal actions may not be effective in preventing such breaches, theft or infringement. In certain cases, our competitors have solicited employees in violation of their employment agreements as a matter of standard business practice, apparently determining that the cost of defending litigation is outweighed by the benefits of acquiring our employees in this manner. In addition, the Federal Trade Commission (FTC) has proposed a rule that would prevent employers from entering into non-competes with employees and require employers to rescind existing non-competes. Furthermore, certain states like Minnesota, North Dakota and Oklahoma have implemented comparable or more stringent regulations, while California has broadened the scope of its longstanding restrictions on non-competes. If this rule goes into effect, more states adopt similar rules or if we fail to adequately address any of the issues referred to above, we could experience a material adverse effect on our business, operating results and financial condition. See also “The substantial increase in remote work among our employees subjects us to certain challenges and risks” below.

The substantial increase in remote work among our employees subjects us to certain challenges and risks.

Many of our employees now work from home on a full- or part-time basis. Remote work for some of our employees could affect their productivity, including due to a lower level of oversight, distractions and disruptions due to caregiving obligations or slower or unreliable Internet access. Remote work may also make some employees feel detached from colleagues and the organization. In some cases, this may make them more vulnerable to solicitations by competing firms. In addition, our increased reliance on work-from-home technologies and our employees’ more frequent use of personal devices and non-standard business processing may increase the risk of cybersecurity or data breaches from circumvention of security systems, denial-of-service attacks or other cyber-attacks, hacking, “phishing” attacks, computer viruses, ransomware, malware, employee or insider error, malfeasance, social engineering, physical breaches or other actions.

The increased prevalence of remote work among our employees may also subject us to other challenges and risks. For example, our hybrid work environment may adversely affect our ability to recruit and retain personnel who prefer a fully remote or fully in-person work environment. Operating our business with both remote and in-person workers, or workers who work on flexible schedules, could have a negative impact on our corporate culture, decrease the ability of our employees to collaborate and communicate effectively, decrease the ability of newer production and support staff to learn client-handling and other key skills informally around the office, decrease innovation and productivity, or negatively affect employee morale.

Business disruptions could have a material adverse effect on our operations, damage our reputation and impact client relationships.

Our ability to conduct business may be adversely affected by a disruption in the infrastructure that supports our business. This includes infrastructure controlled by third-party vendors and suppliers. Such disruptions could be caused by various factors, such as cybersecurity incidents (for example, as disclosed in previous filings, we experienced a ransomware attack in 2020), security breaches, human error, capacity constraints, hardware failures or defects, natural disasters, climate and weather events, pandemics, fires, power outages, telecommunication failures, break-ins, sabotage, intentional acts of vandalism, acts of terrorism, civil disruption, political violence and unrest, or war. While we have disaster recovery procedures in place, they may not be effective. Additionally, insurance may not continue to be available at reasonable prices and may not address all potential losses or compensate us for the possible loss of clients or increase in claims and lawsuits directed against us. Further, because we do not control infrastructure owned by third parties, we cannot guarantee that such parties have effective recovery procedures, or sufficient funds or insurance to recover any damages, losses or other liabilities that we may incur due to business interruptions caused by disruptions to their infrastructure.

The risk of business disruption is more pronounced in certain geographic areas where a significant portion of our business is concentrated. For example, we have substantial operations in India that provide important client support and other back-office services for our global organization. To date, the dispute between India and Pakistan involving the Kashmir region, rising tensions between India and China, incidents of terrorism in India, the potential for civil unrest and general geopolitical uncertainties have not adversely affected our operations in India. However, such factors could potentially affect our operations

there in the future. If our access to these services is disrupted, our client relationships could be harmed, our liability for E&O could increase, and our reputation could be damaged, causing our business, operating results and financial condition to be adversely affected.

Sustained increases in compensation expense and the cost of employee benefits could reduce our profitability.

Compensation expense and the cost of current employees' medical and other benefits, substantially affects our profitability. In the past, we have occasionally experienced significant increases in these costs as a result of macro-economic factors beyond our control, including wage inflation, increases in health care costs, declines in investment returns on pension assets and changes in discount rates and actuarial assumptions used to calculate pension and related liabilities. Our compensation expense ratio in 2023 as a percent of total revenue remained the same as in 2022 at 56%. A significant decrease in the value of our defined benefit pension plan assets, changes to actuarial assumptions used to determine pension plan liabilities, or decreases in the interest rates used to discount the pension plan's liabilities could cause an increase in pension plan costs in future years. Although we have actively sought to control increases in compensation expense and the cost of employee benefits, we can make no assurance that we will succeed in limiting future cost increases, and continued upward pressure in these costs could reduce our profitability.

Our substantial operations outside the U.S. expose us to risks different than those we face in the U.S.

In 2023, we generated approximately 36% of our combined brokerage and risk management revenues outside the U.S. Our business outside the U.S. presents operational, economic and other risks that are different from, or greater than, the risks we face doing comparable business in the U.S. These include, among others, risks relating to:

- Maintaining awareness of and complying with a wide variety of labor practices and foreign laws, including those relating to labor and employment, data privacy requirements, AI prohibitions on corrupt payments to government officials, export and import duties, environmental policies, sustainability disclosures, as well as laws and regulations applicable to U.S. business operations abroad. We are subject to the risk that we, our employees, our agents, or our affiliated entities, or their respective officers, directors, employees and agents, take actions determined to be in violation of any of these laws, regulations or policies, for which we might be held responsible. Actual or alleged violations could result in substantial fines, sanctions, civil or criminal penalties, debarment from government contracts, curtailment of operations in certain jurisdictions, competitive or reputational harm, litigation or regulatory action and other consequences that might adversely affect our results of operations, financial condition or strategic objectives. While we believe that relations with work councils and trade unions in these countries are and will continue to be satisfactory, work stoppages could occur and we may not be successful in negotiating new collective bargaining agreements. In addition, collective bargaining negotiations may (1) result in significant increases in the cost of labor, (2) divert management's attention away from operating the business or (3) break down and result in the disruption of operations. The occurrence of any of the preceding conditions could result in increased costs and impair our ability to operate our business. These and other international regulatory risks and labor related risks are described below under "Regulatory, Legal and Accounting Risks";
- We own interests in firms where we do not exercise management control (such as Casanueva Perez S.A.P.I. de C.V. in Mexico and Renomia, A.S. in the Czech Republic) and are therefore unable to direct or manage the business to realize the anticipated benefits, including mitigation of risks, that could be achieved through full ownership;
- The potential costs, difficulties and risks associated with local regulations across the globe, including the risk of personal liability for directors and officers (for example, in the U.K.) and "piercing the corporate veil" risks under the corporate law regimes of certain countries;
- Difficulties in staffing and managing foreign operations. For example, we are growing our Latin American operations through acquisitions of local family-owned insurance brokerage firms. If we lose a local key employee, hiring and retaining talent locally or finding an internal candidate qualified to transfer to such location could be difficult;
- Less flexible employee relationships, which in certain circumstances has limited our ability to prohibit employees from competing with us after they are no longer employed with us or recover damages, and made it more difficult and expensive to terminate their employment;
- Some of our foreign subsidiaries receive revenues or incur obligations in currencies that differ from their functional currencies. We must also translate the financial results of our foreign subsidiaries into U.S. dollars. Although we

have used foreign currency hedging strategies in the past and currently have some in place, such risks cannot be eliminated entirely, and significant changes in exchange rates may adversely affect our results of operations;

- Conflicting regulations in the countries in which we do business;
- Political and economic instability (including risks relating to undeveloped or evolving legal systems, unstable governments, acts of terrorism and outbreaks of war, including between Russia and Ukraine, and in the Middle East);
- Coordinating our communications, policies and logistics across geographic distances, multiple time zones and in different languages, including during times of crisis management;
- Risks relating to our post-Brexit plan to address the loss of passporting rights between the U.K. and EU with respect to insurance brokerage services. Our plan (implemented in September 2020) involved transferring the European Economic Area (EEA) clients of our U.K.-based regulated entities to a Swedish subsidiary authorized in the EEA, and providing some services through a U.K. branch of such subsidiary. Although this “reverse branch” model is typical of other brokers of a similar size, EU regulators continue to assess their approach to this model, including as a result of, among other developments, the supervisory statement issued by the European Insurance and Occupational Pensions Authority (EIOPA) in February 2023. While we are continuously assessing the impact of these developments, it is difficult to predict such impact on our current plan;
- Unfavorable audits and exposure to additional liabilities relating to various non-income taxes (such as payroll, sales, use, value-added, net worth, property and goods and services taxes) in foreign jurisdictions. In addition, our future effective tax rates could be unfavorably affected by changes in tax rates, discriminatory or confiscatory taxation, changes in the valuation of our deferred tax assets or liabilities, changes in tax laws or their interpretation and the financial results of our international subsidiaries. The Organization for Economic Cooperation and Development (which we refer to as the OECD) continues to issue reports and recommendations as part of its Base Erosion and Profit Shifting project (which we refer to as BEPS), and in response many countries in which we do business have adopted, or are expected to adopt, rules which will change various aspects of the existing framework under which our tax obligations are determined. For example, the majority of EU countries and the U.K. have incorporated some elements of BEPS Pillar 2 into their national laws. Other countries in which we have significant operations, such as Australia and Canada, have either announced an intention to adopt it or started the process of doing so. Additionally, other jurisdictions in which we do business are also reacting to these efforts; for example, Bermuda enacted a corporate tax regime for the first time in 2023. We anticipate further significant developments across several jurisdictions in which we operate in 2024 and 2025;
- Legal or political constraints on our ability to maintain or increase prices;
- Cash balances held in foreign banks and institutions where governments have not specifically enacted formal guarantee programs;
- Epidemics or pandemics at a regional or global level;
- Lost business or other financial harm due to protectionism in the U.S. and in countries around the world, including adverse trade policies, governmental actions affecting the flow of goods, services and currency, and governmental restrictions on the transfer of funds to us from our operations outside the U.S.; and
- The trade and military policies of the U.S. government could further develop in ways that exacerbate the risks described above, or introduce new risks for our international operations.

If any of these risks materialize, our results of operations and financial condition could be adversely affected.

Changes in tax laws could adversely affect us.

We operate in various jurisdictions and are subject to changes in applicable tax laws, treaties, or regulations in those jurisdictions. A material change in the tax laws, treaties, or regulations, or their interpretation, of any jurisdiction with which we do business, or in which we have significant operations, could adversely affect us. For example, in October 2021, the OECD announced that 136 countries and tax jurisdictions have agreed to implement a new Pillar 2 approach to international taxation. The first detailed draft rules under that approach were published in December 2021. The U.K. and the majority of the EU have adopted some aspects of these rules. Other countries in which we have significant operations, including Australia and Canada, have announced an intention to adopt it or started the process of doing so. The new approach came into effect in 2023 in certain jurisdictions, and different countries have implemented the necessary rules in different ways, through their individual agreement to tax treaty changes and through changes to their own domestic tax laws. Pillar 1 exempts regulated financial institutions and we believe we qualify for such exemption. Pillar 2 will establish a global minimum tax rate of 15%, such that multinational

enterprises with an effective tax rate in a jurisdiction below this minimum rate will need to pay additional tax, which could be collected by the parent company's tax authorities if that parent country adopts Pillar 2 or by those in other countries, depending on whether and how each country implements the OECD's approach in its tax treaties and domestic tax legislation. Depending on how the jurisdictions in which we operate, and those in which we and our subsidiaries are based, choose to implement the OECD's approach in their tax treaties and domestic tax laws, particularly if the U.S. does not adopt Pillar 2, we could be adversely affected due to our income being taxed at higher effective rates, once these new rules come into force.

We face significant competitive pressures in each of our businesses.

The insurance brokerage, reinsurance brokerage and employee benefit consulting businesses are highly competitive and many insurance brokerage, reinsurance brokerage and employee benefit consulting organizations actively compete with us in one or more areas of our business around the world. Two of the firms we compete with in the global brokerage and risk management markets have larger revenues than ours. In addition, many other smaller firms that operate nationally or that are strong in a particular country, region or locality may have, in that country, region or locality, an office with revenues as large as or larger than those of our corresponding local office. Our third party claims administration operation also faces significant competition from stand-alone firms as well as divisions of larger firms. Over the past decade or more, private equity sponsors have invested heavily in the insurance brokerage and third party claims administration industries, creating new competitors and strengthening existing ones. Across all of our operations, Insurtech and technology-based start-ups are entering the business. In most cases, these businesses complement or enhance our offerings, but in some cases, they compete with us.

We believe that the primary factors determining our competitive position with other organizations in our industry are the quality of the services we render, the personalized attention we provide, the individual and corporate expertise of the brokers and consultants providing the actual service to the client, our data and analytics capabilities, and our ability to help our clients manage their overall risk exposure and insurance or reinsurance costs. Losing business to competitors offering similar services or products at a lower cost or having other competitive advantages would adversely affect our business.

Consolidation among our existing competitors could create additional competitive pressure on us as such firms grow their market share, take advantage of strategic and operational synergies and develop lower cost structures. In addition, any increase in competition due to new legislative or industry developments could adversely affect us.

These developments include:

- Increased capital-raising by underwriting enterprises, which could result in new risk-taking capital in the industry, which in turn may lead to lower insurance premiums and commissions;
- Underwriting enterprises selling insurance directly to insureds without the involvement of a broker or other intermediary;
- Changes in our business compensation model as a result of regulatory developments;
- Federal and state governments establishing programs to provide health insurance (such as a single-payer system) or, in certain cases, property insurance in catastrophe-prone areas or other alternative market types of coverage, that compete with, or completely replace, insurance products currently offered by underwriting enterprises;
- Climate-change regulation in the U.S. and around the world moving us toward a low-carbon economy, which could create new competitive pressures around climate resilience consulting services and innovative insurance solutions;
- Continued consolidation in the financial services industry, leading to larger financial services institutions offering a wider variety of services including insurance brokerage and risk management services;
- Increased competition from new market participants such as banks, accounting firms, consulting firms and Internet or other technology firms offering risk management or insurance brokerage services, or new distribution channels for insurance such as payroll firms and professional employer organizations; and
- Third party capital providers have entered the insurance and reinsurance risk transfer market offering products and capital directly to our clients. Their presence in the market increases the competitive pressures that we face.

New competition as a result of these or other legislative or industry developments could cause the demand for our products and services to decrease, which could in turn adversely affect our results of operations and financial condition.

Volatility or declines in premiums or other adverse trends in the insurance industry may seriously undermine our profitability.

We derive much of our revenue from commissions and fees for our brokerage services. We do not determine the premiums on which our commissions are generally based. Moreover, premiums are cyclical in nature and may vary widely based on market

conditions. Because of market cycles for insurance and reinsurance product pricing, which we cannot predict or control, our brokerage revenues and profitability can be volatile or remain depressed for significant periods of time.

As underwriting enterprises continue to outsource the production of premium revenue to non-affiliated brokers or agents such as us, those companies may seek to further minimize their expenses by reducing the commission rates payable to agents or brokers. The reduction of these commission rates, along with general volatility and/or declines in premiums, may significantly affect our profitability. Because we do not determine the timing or extent of premium pricing changes, it is difficult to forecast our commission revenues precisely, including whether they will significantly decline. As a result, we may have to adjust our budgets for future acquisitions, capital expenditures, dividend payments, debt repayments and other expenditures to account for unexpected changes in revenues, and any decreases in premium rates may adversely affect the results of our operations.

In addition, there have been and may continue to be various trends in the insurance and reinsurance markets toward alternative insurance markets including, among other things, greater levels of self-insurance, captives, rent-a-captives, risk retention groups and non-insurance capital markets-based solutions to traditional insurance. While historically we have been able to participate in certain of these activities on behalf of our clients and obtain fee revenue for such services, there can be no assurance that we will realize revenues and profitability as favorable as those realized from our traditional brokerage activities. Our ability to generate premium based commission revenue may also be challenged by the growing desire of some clients to compensate brokers based upon flat fees rather than a percentage of premium. This could negatively impact us because fees are generally not indexed for inflation and might not increase with premiums as commissions do or with the level of service provided.

Contingent and supplemental revenues we receive from underwriting enterprises are less predictable than standard commission revenues, and any decrease in the amount of these forms of revenue could adversely affect our results of operations.

A meaningful portion of our revenues consists of contingent and supplemental revenues from underwriting enterprises. Contingent revenues are paid after the insurance contract period, generally in the first or second quarter, based on the growth and/or profitability of business we placed with an underwriting enterprise during the prior year. On the other hand, supplemental revenues are paid up front, on an annual or quarterly basis, generally based on our historical premium volumes with the underwriting enterprise and additional capabilities or services we bring to the engagement. While underwriting enterprises generally maintain supplemental revenues in the current year at a pre-determined rate, that rate can change in future years as described above. If, due to the current economic environment or for any other reason, we are unable to meet an underwriting enterprise's particular profitability, volume or growth thresholds, as the case may be, or such companies increase their estimate of loss reserves (over which we have no control), actual contingent revenues or supplemental revenues could be less than anticipated, which could adversely affect our results of operations. In the case of contingent revenues, under revenue recognition accounting standards, this could lead to the reversal of revenues in future periods that were recognized in prior periods.

We face a variety of risks in our benefit consulting operations distinct from those we face in our insurance brokerage operations.

Our benefit consulting operations face a variety of risks distinct from those faced by our brokerage operations. The portion of our revenue derived from consulting engagements and special project work is more vulnerable to reduction, postponement, cancellation or non-renewal during an economic downturn than traditional insurance brokerage commissions. For instance, we experienced a decline in such revenue during the economic downturn triggered by the COVID-19 pandemic. In the event of a future recession or economic downturn, we could again experience deterioration in these sources of revenue. A portion of our benefit consulting operation revenue is tied to assets invested by our clients, and when investment returns are adversely affected that portion of our revenue is negatively impacted. Certain areas within our retirement consulting practice may attract a higher level of regulatory scrutiny due to regulators' historical interest in such matters, including pension-related products and investment advisory and broker-dealer services. In addition, we have made significant investments in product and knowledge development to assist clients as they navigate the complex regulatory requirements relating to employer-sponsored healthcare. New laws or regulations reducing employer-sponsored health insurance, by limiting or eliminating tax-advantaged employer-sponsored benefits or otherwise, could impact clients' demand for our services. If we are unable to adapt our services to changes in the legal and regulatory landscape around employer-sponsored benefits, our results of operations could be adversely impacted.

We closed the acquisition of Buck in April 2023. Buck is the largest acquisition in the history of our benefit consulting operations and represents a material portion of its revenue. As such, the integration of Buck into our existing operations requires

a more significant effort and involves additional risks compared to our typical acquisitions. See also “We face additional risks relating to acquisitions that are larger than our usual tuck-in acquisitions” described above.

We face a variety of risks in our third-party claims administration operations that are distinct from those we face in our brokerage and benefit consulting operations.

Our third party claims administration operations face a variety of risks distinct from those faced by the rest of our business, including the risks that:

- Epidemics and pandemics that reduce in-person business activity have a greater negative impact because they result in a reduction in the number of claims processed, as experienced during the years 2020, 2021, and the beginning of 2022. If a new epidemic or pandemic were to emerge, these operations could face similar negative impacts in the future;
- RISX-FACS®, our proprietary risk management information system, on which our ability to provide clients with insurance claim settlement and administration services is highly dependent, becomes inoperable for some reason. In addition, we are increasing our use of cloud storage and cloud computing application services supported, upgraded and maintained by third-party vendors. A disruption affecting RISX-FACS®, third-party cloud services or any other infrastructure supporting our business, including key client relationship management software, could have a material adverse effect on our operations, cause reputational harm and damage our employee and client relationships;
- The favorable trend among both underwriting enterprises and self-insured entities toward outsourcing various types of claims administration and risk management services will reverse or slow, causing our revenues or revenue growth to decline;
- Concentration of large amounts of revenue with certain clients results in greater exposure to the potential negative effects of lost business due to changes in management at such clients or changes in state government policies, in the case of our government-entity clients, or for other reasons;
- Contracting terms will become less favorable or the margins on our services will decrease due to increased competition, regulatory constraints or other developments;
- We do not satisfy regulatory requirements related to third party administrators or regulatory developments, including those relating to security, cybersecurity and data privacy as we manage a large amount of highly sensitive and confidential information including personally identifiable information, protected health information and financial information, will impose additional burdens, costs or business restrictions that make our business less profitable;
- Volatility in our case volumes, which are dependent upon a number of factors and difficult to forecast accurately, could impact our revenues;
- Wage inflation, difficulty attracting and retaining talent, and rising technology costs, all of which have been challenging to control since 2020, may impact our ability to remain competitive in the marketplace and profitably fulfill our existing contracts (other than those that provide cost-plus or other margin protection);
- We may be unable to develop further efficiencies in our claims-handling business and may be unable to obtain or retain certain clients if we fail to make adequate improvements in technology or operations; and
- Underwriting enterprises or certain large self-insured entities may create in-house servicing capabilities that compete with our third party administration and other administration, servicing and risk management products, and we could face additional competition from potential new entrants into the global claims management services market.

If any of these risks materialize, our results of operations and financial condition could be adversely affected.

Climate risks, including the risk of an economic crisis, risks associated with the physical effects of climate change and disruptions caused by the transition to a low-carbon economy, could adversely affect our business, results of operations and financial condition.

Climate change has been widely identified by investors and regulators as a systemic risk to the global economy. The U.S. Federal Reserve has warned that a gradual change in investor sentiment regarding climate risk introduces the possibility of abrupt tipping points or significant swings in sentiment, which could create unpredictable follow-on effects in financial markets. If this occurred, not only would our business be negatively impacted by the general economic decline, but a drop in the stock

market affecting our stock price could negatively impact our ability to grow through mergers and acquisitions financed using our common stock.

The transition to a low-carbon economy could harm specific industries or sectors such as oil and gas in ways that could impact our business. Our clients in such industries could go out of business or have reduced needs for insurance-related or consulting services, which could adversely impact our commission revenues, consulting revenues or revenues from managing third-party insurance claims. Negative publicity arising from our association with clients in disfavored businesses or industries, or the perception that we are not sufficiently focused on climate risks facing Gallagher or on reducing our own carbon emissions, as well as resulting from the potential conflict with anti-ESG initiatives from certain U.S. state governments and other stakeholders, could damage our reputation with investors, clients, employees and regulators. In addition, the transition to a low-carbon economy could give rise to the need for innovative insurance, reinsurance and risk management solutions for entirely new industries and companies, as well as advice and services to bolster climate resilience for existing companies. If we fail to innovate and provide valuable services to our clients in response to these changes, we could lose market share to our competitors or new market entrants that do.

We do not generally assume net underwriting risk, other than with respect to de minimis amounts necessary to provide minimum or regulatory capital, and briefly, in connection with our catastrophe bond business, and thus do not generally experience direct material financial implications related to extreme weather events. In addition, we are a professional services firm with people as our most important asset and limited physical operations. However, in cases where underwriting enterprises fail or face significant payouts related to extreme weather events leading them to withdraw from offering certain lines of coverage, as observed in places such as California, Louisiana, and Florida, such withdrawal negatively impacts the overall capacity for risk-taking capital. If this reduction is substantial, it could limit our ability to secure certain lines of coverage for our clients, ultimately reducing our revenues and profitability. Underwriting enterprises are also clients of Gallagher Re, so any of the negative developments for underwriting enterprises referred to above could also reduce our commission revenues from such clients.

Regulatory, Legal and Accounting Risks

Improper disclosure of confidential, personal or proprietary information and cybersecurity attacks or other security breach of our information systems, or those of third-party vendors we rely on, could result in regulatory scrutiny, legal liability or reputational harm, and could adversely affect our business, financial condition and reputation.

We collect, use, store, transmit and otherwise process, confidential, personal and proprietary information relating to our company, acquisition targets, our employees and our clients. This information includes personally identifiable information, protected health information, financial information and intellectual property.

We maintain policies, procedures and technical safeguards designed to protect the security and privacy of confidential, personal and proprietary information. Nonetheless, we cannot eliminate the risk of human error, malfeasance or highly sophisticated cyber-attacks, which are heightened as a result of the war in Ukraine and in the Middle East or other cybersecurity incidents. It is possible that our security controls, employee training and other aspects of our cybersecurity safeguards are not effective. See “The substantial increase in remote work among our employees subjects us to certain challenges and risks” above for a discussion of how remote work enhances these risks.

We have and continue to invest in technology security initiatives, policies, resources and employee training. The cost and operational consequences of implementing, maintaining and enhancing appropriate technical measures is high. Given the continuously evolving cyber threat landscape, it will become increasingly difficult to detect, defend against and remediate cybersecurity incidents and data breaches. If we are unable to effectively maintain and enhance our system safeguards in line with evolving cyber threats, including in connection with the integration of acquisitions, we may incur unexpected costs, including litigation costs, regulatory enforcement action, loss of clients, reputational damage, and certain of our systems may become more vulnerable to unauthorized access.

We rely on IT and third party vendors to support our business activities, including our secure processing of personal, confidential, sensitive, proprietary and other types of information. Despite ongoing efforts to improve our and our vendors’ ability to protect and defend against cyber-attacks, we may not be able to protect all of our data. Cybersecurity incidents and data breaches of certain systems on which we rely have occurred, such as the ransomware incident that occurred in 2020 (as disclosed in previous filings), and we also have from time to time experienced other cybersecurity incidents such as computer viruses, unauthorized parties gaining access to our information technology systems, and privacy incidents, such as loss or inadvertent transmission of data, although to date we have not been materially impacted by such events. In the future, breaches of any third-party or internal systems may result from circumvention of security systems, denial-of-service, hacking, “phishing”,

computer viruses, ransomware, malware, or other cyber-attacks, employee or insider error, malfeasance, social engineering, physical breaches or other actions. Furthermore, the risk from threat actors has increased due to the rapid development of AI capabilities.

We are an acquisitive organization. The process of integrating information systems of businesses we acquire is complex and exposes us to additional risk as we might not adequately identify weaknesses in the targets' information systems or information handling, privacy and security policies and protocols, which could expose us to unexpected liabilities or make our own systems and data more vulnerable to cybersecurity incidents. Any future, material cybersecurity or data incident, may cause us to experience unauthorized access, exfiltration, manipulation, corruption, loss or disclosure of our proprietary, client, employee, or other data, reputational harm, the inability to render services due to system outages or other business disruptions, loss of clients and revenue, regulatory action and scrutiny, sanctions or other statutory penalties, litigation, liability for failure to safeguard clients' information, increases in cybersecurity costs or financial losses. Any of the foregoing may be exacerbated by a delay or failure to detect a cybersecurity incident or the full extent of such incident. In addition, disclosure or media reports of actual or perceived security vulnerabilities to our systems or those of our third-party service providers, even if no breach has been attempted or occurred, could lead to reputational harm, loss of customers and revenue, or increased regulatory actions oversight and scrutiny.

Such incidents could result in confidential, personal or proprietary information being lost or stolen, used to perpetuate fraud, maliciously made public, surreptitiously modified, or rendered inaccessible for a period of time. We cannot ensure that any limitations of liability provisions in our agreements with clients, vendors and other third parties with which we do business would be enforceable or adequate or would otherwise protect us from any liability with respect to claims arising from a cybersecurity, data or similar incident.

As we experienced in connection with the 2020 ransomware incident referred to above, during a cybersecurity incident, we might have to take our systems offline, which could interfere with services to our clients or damage our reputation. While we endeavor to design and implement technologies, policies and procedures to identify such incidents as quickly as possible, any response would take substantial time, and there may be extensive delays before we obtain full and reliable information. During such time we would not necessarily know the extent of the harm or how best to remediate it, and certain errors or actions could be repeated or compounded before they are discovered and remediated, all of which may further increase the costs and consequences of such incident. Any of these losses may not be insured against or be fully covered by insurance we maintain.

In addition, the competition for talent is high in the cybersecurity and privacy space, and we may not be able to hire, develop or retain suitable talent that we need to be capable of minimizing, identifying, mitigating or remediating these risks.

With respect to our commercial arrangements with third party vendors, we have processes designed to require third party IT outsourcing, offsite storage and other vendors to agree to maintain certain standards with respect to their storage, protection and transfer of confidential, personal and proprietary information. However, we remain at risk of a cyber or data incident due to the intentional or unintentional non-compliance by a vendor's employee or agent, the breakdown of a vendor's processes, or a cybersecurity incident involving vendor's information systems. We cannot ensure that any provisions in our agreements with these vendors would be enforceable or adequate or would otherwise protect us from any liability in connection with these incidents.

Any of the foregoing may have a material adverse effect on our business, financial condition and reputation.

We are subject to a number of contingencies and legal proceedings which, if determined unfavorably to us, would adversely affect our financial results.

We are or have been subject to numerous claims, tax assessments, lawsuits and proceedings that arise in the ordinary course of business. Such claims, lawsuits and other proceedings include claims for damages based on allegations that our employees or sub-agents improperly failed to procure coverage, report claims on behalf of clients, provide underwriting enterprises with complete and accurate information relating to the risks being insured, or provide clients with appropriate consulting, advisory, pension and claims handling services. There is the risk that our employees or sub-agents may fail to appropriately apply funds that we hold for our clients on a fiduciary basis. Certain of our benefits and retirement consultants provide investment advisory or decision-making services to clients. Additionally, Gallagher Re operates a securities business. If our clients experience investment losses, our reputation could be damaged and our financial results could be negatively affected as a result of claims asserted against us and lost business. Where appropriate, we have established provisions against these matters that we believe are adequate in light of current information and legal advice, and we adjust such provisions from time to time based on current material developments. The damages claimed in such matters are or may be substantial, including, in many instances, claims for punitive, treble or other extraordinary damages. It is possible that, if the outcomes of these contingencies and legal proceedings

were not favorable to us, it could materially adversely affect our future financial results. In addition, our results of operations, financial condition or liquidity may be adversely affected if, in the future, our insurance coverage proves to be inadequate or unavailable or we experience an increase in liabilities for which we self-insure. We have purchased E&O insurance and other insurance to provide protection against losses that arise in such matters. Accruals for these items, net of insurance receivables, when applicable, have been provided to the extent that losses are deemed probable and are reasonably estimable. These accruals and receivables are adjusted from time to time as current developments warrant.

As more fully described in Note 17 to our 2023 consolidated financial statements, we are a defendant in various legal actions incidental to our business, including but not limited to matters related to employment practices, alleged breaches of non-compete or other restrictive covenants, theft of trade secrets, breaches of fiduciary duties, intellectual property infringement and related causes of action. We are also periodically the subject of inquiries and investigations by regulatory and taxing authorities into various matters related to our business. For example, our micro-captive advisory services business has been under investigation by the IRS since 2013. We currently believe that the ultimate outcome of these proceedings, individually and in the aggregate, will not materially harm our financial position, results of operations or cash flows. However, legal proceedings and government investigations are subject to inherent uncertainties, and unfavorable rulings or other adverse events could occur, including the payment of substantial monetary damages or an injunction or other order prohibiting us from selling one or more products at all or in particular ways, precluding particular business practices or requiring other remedies, which may result in a material adverse impact on our business, results of operations or financial position. In addition, regardless of any unfavorable ruling, any such matter could expose us to negative publicity, reputational damage, harm to our client or employee relationships, or diversion of personnel and management resources, which could adversely affect our ability to recruit quality brokers and other significant employees to our business, and otherwise adversely affect our results of operations.

Changes in data privacy and protection laws and regulations, or any failure to comply with such laws and regulations, could adversely affect our business and financial results.

We are subject to a variety of continuously evolving and developing laws and regulations globally regarding privacy, data protection, and data security, including those related to the collection, storage, handling, use, disclosure, transfer, destruction, and security of personal data. These laws apply to transfers of personal information among our affiliates, as well as to transactions we enter into with third party vendors and clients. Significant uncertainty exists as privacy and data protection laws evolve and may be interpreted and applied differently from country to country and state to state, and may create inconsistent or conflicting requirements. Some of these laws provide rights to individuals to access, correct, and delete their personal information and to obtain copies at the expense of the business entities that process their data. Some of these laws carry heavy penalties for violations, e.g., fines of up to 4% of worldwide revenue under the U.K. Data Protection Act and the European Union General Data Protection Regulation (GDPR) and up to \$7,500 per intentional violation under the California Consumer Privacy Act (CCPA). In the U.S., there is pending federal legislation and a number of states have proposed their own comprehensive data privacy bills similar to the GDPR and CCPA, with some of those laws already in effect, and others coming into effect between 2024 and 2026.

India and other countries where we have operations outside the U.S. have proposed or have enacted sweeping data protection laws, and in some cases we are subject to sector and personal data localization laws that may require that data or personal data stay within their borders, such as India's IRDIA (Maintenance of Insurance Records) Regulation, 2015.

In addition, in the U.S., legislators are continuing to enact comprehensive cybersecurity laws. For example, we are subject to the New York State Department of Financial Services Cybersecurity Regulation for Financial Services Companies, which were substantively amended in 2023. We also expect to be subject to a variety of laws and regulations governing AI, such as the proposed EU AI Act which is expected to be enacted in 2024. These laws and regulations are still evolving, and while we are assessing how regulators may apply existing consumer protection, data protection and other similar laws to AI, there is uncertainty regarding the scope of new laws and how existing laws will apply. Due to this uncertainty, we may face challenges complying with existing and new laws, and our policies and governance frameworks may not be successful in mitigating these risks. See also "We are subject to risks associated with AI."

Adhering to the increased obligations imposed by various new and emerging laws causes us to incur substantial expenses in connection with developing, implementing, and securing our systems and effectively implementing data privacy governance policies for the lawful processing of personal data. Such increased obligations also result in the allocation of additional resources towards new privacy compliance processes and enhanced technologies, further contributing to our IT and compliance costs. In addition, enforcement actions and investigations by regulatory authorities related to data security incidents and privacy violations continue to increase. The enactment of more restrictive laws, rules, regulations, or future enforcement actions or investigations

could impact us through increased costs or restrictions on our business, and noncompliance could result in regulatory penalties and significant legal liability.

We could be adversely affected by violations or alleged violations of laws that impose requirements for the conduct of our overseas operations, including the FCPA, the U.K. Bribery Act or other anti-corruption laws, sanctions laws and FATCA.

In countries outside the U.S., a risk exists that our employees or third parties acting on our behalf, including correspondent brokers, consultants, introducers, partners or agents, could engage in business practices prohibited by applicable laws and regulations, including anti-bribery and anti-corruption laws, and sanctions laws such as those administered by the U.S. Department of the Treasury's Office of Foreign Assets Control. Anti-bribery and anti-corruption laws, such as the FCPA and the U.K. Bribery Act, generally prohibit companies from making improper payments to foreign officials and require companies to keep accurate books and records and maintain appropriate internal controls. Trade and financial sanctions laws generally restrict the ability to engage in trade with, or provide goods or services, to designated governments or other parties, or may require freezing of such parties' assets. We operate in some parts of the world that have experienced governmental corruption. In such parts of the world, in certain circumstances, local customs and practice might not be consistent with the requirements of anti-bribery and anti-corruption laws. Similarly, some of these countries do not implement sanctions laws and may not restrict trade with parties designated as sanctions targets under U.S., U.K. or EU laws.

Our policies mandate strict compliance with such laws and we devote substantial resources to programs designed to ensure compliance, including investigating business practices and taking steps to address the risk that our employees, third party representatives, partners or agents will engage in business practices that are prohibited by our policies and/or such laws and regulations.

We offer client service capabilities in many countries around the world through a network of third-party representatives acting on our behalf such as correspondent brokers and consultants. In certain limited instances, we also work with third-party introducers that provide services for certain clients. There is a risk that our third party representatives engage in business practices that are prohibited by our internal policies or violate applicable laws and regulations, such as the FCPA and the U.K. Anti-Bribery Act. As previously disclosed, during 2022, we received a subpoena from the FCPA Unit of the DOJ seeking information related to our insurance business with public entities in Ecuador. During the fourth quarter of 2023, the DOJ informed us that it has closed its inquiry and would not be pursuing enforcement action against us.

Violations by us or our third party representatives could result in significant internal investigation costs and legal fees, civil and criminal penalties, including prohibitions on the conduct of our business, and reputational harm.

We may also be subject to legal liability and reputational damage if we violate trade sanctions laws of the U.S., the EU and other jurisdictions in which we operate. In addition, FATCA requires certain of our subsidiaries, affiliates and other entities to obtain valid FATCA documentation from payees prior to remitting certain payments to such payees and our failure to do so properly could result in penalties.

We are subject to regulation worldwide. If we fail to comply with regulatory requirements or if regulations change in a way that adversely affects our operations, we may not be able to conduct our business, or we may be less profitable.

Many of our activities throughout the world, especially regulated businesses such as our insurance brokerage, securities broker-dealer and investment advisory services, are subject to supervision and regulations promulgated by regulatory or self-regulatory bodies such as the SEC, the NYSE, the DOJ, the IRS, the Financial Crimes Enforcement Network, the FTC and FINRA in the U.S., the Financial Conduct Authority in the U.K., the Australian Securities and Investments Commission in Australia and insurance regulators in nearly every jurisdiction in which we operate. Our retirement-related consulting and investment advisory services are subject to pension law and financial regulation in many countries. Our activities are also subject to a variety of other laws, rules and regulations addressing licensing, data privacy, AI, wage-and-hour standards, employment and labor relations, competition, anti-corruption, currency, the conduct of business, reserves and the amount of local investment with respect to our operations in certain countries. For example, the DOJ revised its Corporate Criminal Enforcement Policies and Practices to include a section on the use of personal devices and third-party messaging applications, indicating that their use poses significant risk to companies and suggesting that it intends to investigate seriously whether companies have ensured that data from these sources is preserved for investigations; additionally, the FTC proposed a rule that would prevent employers from entering into non-competes with employees and require employers to rescind existing non-competes. These and other forms of regulatory action could reduce our profitability or growth by increasing the costs of compliance, increasing the risk of costly enforcement actions, restricting the products or services we sell, the markets we enter, the methods by which we sell our products and services, or the prices we can charge for our services and the form of compensation we can accept from our clients, underwriting

enterprises and third parties. As our operations grow around the world, it is increasingly difficult to monitor and enforce regulatory compliance across the organization. A compliance failure by even one of our smallest branches could lead to a loss of reputation in the local market, and litigation and/or disciplinary actions that may include compensating clients for loss, the imposition of penalties, and/or the loss of our authorization to operate. In all such cases, we would also likely incur significant internal investigation costs and legal fees.

The global nature of our operations increases the complexity and cost of compliance with laws and regulations, including increased staffing needs, the development of new policies, procedures and internal controls and providing training to employees in multiple locations, adding to our cost of doing business. Many of these laws and regulations may have differing or conflicting legal standards across jurisdictions, increasing further the complexity and cost of compliance. In emerging markets and other jurisdictions with less developed legal systems, local laws and regulations may not be established with sufficiently clear and reliable guidance to provide us with adequate assurance that we are aware of all necessary licenses to operate our business, that we are operating our business in a compliant manner, or that our rights are otherwise protected. In addition, major political and legal developments in jurisdictions in which we do business may lead to new regulatory costs and challenges. For example, China adopted a “blocking” statute similar to that of the EU requiring compliance with certain Chinese laws if they conflict with U.S. laws. Rising global tensions and protectionism may also lead other countries to adopt similar blocking statutes, which could make it more difficult and costly for us to expand our operations globally.

Changes in legislation or regulations and actions by regulators, including changes in administration and enforcement policies, or the failure of state and local governments to follow through on agreed-upon state and local tax credits or other tax related incentives, could adversely affect our results of operations or require operational changes that could result in lost revenues or higher costs or hinder our ability to operate our business.

For example, the method by which insurance brokers are compensated has received substantial scrutiny in the past because of the potential for conflicts of interest. The potential for conflicts of interest arises when a broker is compensated by two parties in connection with the same or similar transactions. The vast majority of the compensation we receive for our work as insurance and reinsurance brokers is in the form of retail commissions and fees. We receive additional revenue from underwriting enterprises, separate from retail commissions and fees, including, among other things, contingent and supplemental revenues and payments for consulting and analytics services we provide them. Future changes in the regulatory environment may impact our ability to collect these revenues. Adverse regulatory, legal or other developments regarding these revenues could have a material adverse effect on our business, results of operations or financial condition, expose us to negative publicity and reputational damage and harm our relationships with clients, underwriting enterprises or other business partners.

In addition, as regulators and investors increasingly focus on climate change and other sustainability issues, we are exposed to the risk of frameworks and regulations being adopted that require significant effort to comply with and which are ill-adapted to our operations. For example, pursuant to the CSRD, in 2023 the first set of EU sustainability reporting standards (which we refer to as ESRS) has been developed by the European Financial Reporting Advisory Group (which we refer to as EFRAG) and adopted by the EU. EFRAG will continue to issue sector-specific and non-EU applicable ESRS in the coming years, with such standards to be tailored to EU policy positions which may be different or contradictory with those applicable to our business in other jurisdictions. The CSRD is expected to entail substantial disclosure obligations in future years for us and some of our EU subsidiaries. The SEC has also proposed new climate change disclosure requirements, which are expected to become effective in 2024. Additionally, the state of California has enacted disclosure rules similar to the SEC rules, which will become effective between 2024 and 2026. Furthermore, in the U.K., our business is subject to a number of disclosure obligations under different sustainability frameworks, such as the Task Force on Climate-Related Financial Disclosures framework; Australia is planning to enact mandatory disclosures based on the International Sustainability Standards Board standards (which we refer to as ISSB) in 2024; and other jurisdictions, such as Canada and Brazil, have also announced that they plan to implement ISSB-based disclosures. Compliance with such rules and frameworks will require significant effort and could divert management’s attention and resources, which could adversely affect our operating results.

Changes in our accounting estimates and assumptions could negatively affect our financial position and operating results.

We prepare our financial statements in accordance with U.S. generally accepted accounting principles (which we refer to as GAAP). These accounting principles require us to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of our consolidated financial statements. We are also required to make certain judgments and estimates that affect the disclosed and recorded amounts of revenues and expenses related to revenue recognition and deferred costs - see Note 4 to our 2023 consolidated financial statements. We periodically evaluate our estimates and assumptions, including those relating to the valuation of goodwill and other intangible assets, investments, income taxes, revenue recognition, deferred costs, stock-based compensation, claims handling obligations, retirement plans, litigation and contingencies. We base our estimates on historical experience and various assumptions that we

believe to be reasonable based on specific circumstances. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed in our consolidated financial statements. Further, in August 2022, the U.S. enacted tax legislation commonly referred to as the Inflation Reduction Act (which we refer to as the IRA) which, among other things, implements a corporate book minimum tax and an excise tax on stock buy backs beginning for years after 2022. While guidance is still being issued, our current understanding of these new rules suggests that we will not face significant impacts from these changes. As additional guidance relating to the IRA is released, our estimates related to the IRA may change. Additionally, changes in accounting standards (see Note 2 to our 2023 consolidated financial statements) could increase costs to the organization and could have an adverse impact on our future financial position and results of operations.

Limited protection of our intellectual property could harm our business and our ability to compete effectively, and we face the risk that our services or products may infringe upon the intellectual property rights of others. We cannot guarantee that trade secret, trademark and copyright law protections, or our internal policies and procedures regarding our management of intellectual property, are adequate to deter misappropriation of our intellectual property. Existing laws of some countries in which we provide services or products may offer only limited protection of our intellectual property rights. Also, we may be unable to detect the unauthorized use of our intellectual property and take the necessary steps to enforce our rights, which may have a material adverse impact on our business, financial condition or results of operations. We cannot be sure that our services and products, or the products of others that we offer to our clients, do not infringe on the intellectual property rights of third parties, and we may have infringement claims asserted against us or our clients. These claims may harm our reputation, result in financial liability, consume financial resources to pursue or defend, and prevent us from offering some services or products. In addition, these claims, whether with or without merit, could be expensive, take significant time and divert management's focus and resources from business operations. Successful challenges against us could require us to modify or discontinue our use of technology or business processes where such use is found to infringe or violate the rights of others, or require us to purchase licenses from third parties, any of which could adversely affect our business, financial condition and operating results.

Risks Relating to our Investments, Debt and Common Stock

Our clean energy investments are subject to various risks and uncertainties.

We generated tax credits under IRC Section 45 from 2009 to 2021. As of December 31, 2023, we had generated a total of \$1,706.1 million in IRC Section 45 tax credits, of which approximately \$891.4 million have been used to offset U.S. federal tax liabilities and \$814.7 million remain unused and available to offset future U.S. federal tax liabilities.

Our ability to use tax credits under IRC Section 45 depends upon the operations in which we invested having satisfied the conditions set forth in IRC Section 45. These include, among others, the "placed-in-service" condition and requirements relating to qualified emissions reductions, coal sales to unrelated parties and at least one of the operations' owners qualifying as a "producer" of refined coal. While we have received some degree of confirmation from the IRS relating to our ability to claim these tax credits, the IRS could ultimately determine that the operations did not satisfy the conditions set forth in IRC Section 45. The ongoing implementation of Pillar 2 in the U.S. and around the world could also negatively impact our ability to use these tax credits in the timeframe and manner that would be beneficial to us. Similarly, the law permitting us to claim IRC Section 29 tax credits (related to our prior synthetic coal operations) expired on December 31, 2007. At December 31, 2023, we had exposure with respect to \$108.0 million of previously earned tax credits under IRC Section 29. We believe our claim for IRC Section 29 tax credits in 2007 and prior years was in accordance with IRC Section 29 and four private letter rulings previously obtained by IRC Section 29 related limited liability companies in which we had an interest. We understand these private letter rulings were consistent with those issued to other taxpayers and we have received no indication from the IRS that it will seek to revoke or modify them. In addition, the IRS audited certain of the IRC Section 29 facilities without requiring any changes.

While none of our prior IRC Section 29 operations are currently under audit, two of the IRC Section 45 operations in which we are invested are under audit by the IRS, and it has taken the position that certain losses and tax credits should be disallowed. We are defending this matter vigorously. Additionally, one of these partnerships received a notice from the IRS disallowing our co-investors from claiming tax credits. The partnership defended its position in tax court and prevailed in August 2019. The decision was affirmed by the D.C. Court of Appeals. The IRS could place the remaining IRC Section 45 operations and any of the prior IRC Section 29 operations under audit. An adverse outcome with respect to our ability to claim tax credits under any such audit would likely cause a material loss or cause us to be subject to liability under indemnification obligations related to prior sales of partnership interests in IRC Section 29 tax credits.

There is a risk that foreign laws will not protect the intellectual property associated with The Chem-Mod™ Solution to the same extent as U.S. laws, leaving us vulnerable to companies outside the U.S. who may attempt to copy such intellectual property. In addition, other companies may make claims of intellectual property infringement with respect to The Chem-Mod™ Solution.

For example, in July 2019, Midwest Energy Emissions Corp. and MES Inc. (which we refer to together, as Midwest Energy) filed a patent infringement lawsuit in the United States District Court for the District of Delaware against us, Chem Mod LLC and numerous other related and unrelated parties. The complaint alleged that the named defendants infringed patents held exclusively by Midwest Energy and sought unspecified damages and injunctive relief. In 2023, we settled this matter for an amount that was not material and without admitting any wrongdoing. However, litigation is inherently uncertain and it is not possible for us to predict the ultimate outcome of any future claims against us by other parties.

The IRC Section 45 operations in which we have invested and the by-products from such operations may result in environmental and product liability claims and environmental compliance costs.

The construction and operation of the IRC Section 45 operations were subject to federal, state and local laws, regulations and potential liabilities arising under or relating to the protection or preservation of the environment, natural resources and human health and safety. Some environmental laws, without regard to fault or the legality of a party's conduct, impose liability on certain entities that are considered to have contributed to, or are otherwise responsible for, the release or threatened release of hazardous substances into the environment. One party may, under certain circumstances, be required to bear more than its share or the entire share of investigation and cleanup costs at a site if payments or participation cannot be obtained from other responsible parties. By having used The Chem-Mod™ Solution at locations owned and operated by others, we and our partners may be exposed to the risk of being held liable for environmental damage from releases of hazardous substances we may have had little, if any, involvement in creating. Such risk remains even after production ceases at an operation to the extent the environmental damage can be traced to the types of chemicals or compounds used or operations conducted in connection with The Chem-Mod™ Solution. Increasing attention to global climate change has resulted in an increased possibility of regulatory attention and private litigation. For example, claims have been made against certain energy companies alleging that greenhouse gas emissions constitute a public nuisance. In addition to the possibility of our being named in such actions, we and our partners could face the risk of environmental and product liability claims related to concrete incorporating fly ash produced using The Chem-Mod™ Solution. No assurances can be given that contractual arrangements and precautions taken to provide for assumption of these risks by facility owners or operators, or other end users, will result in that facility owner or operator, or other end user, accepting full responsibility for any environmental or product liability claim. Nor can we or our partners be certain that facility owners or operators, or other end users, fully complied with all applicable laws and regulations, and this could result in environmental or product liability claims. It is also not uncommon for private claims by third parties alleging contamination to also include claims for personal injury, property damage, nuisance, diminution of property value, or similar claims. Furthermore, many environmental, health and safety laws authorize citizen suits, permitting third parties to make claims for violations of laws or permits. Our insurance may not cover all environmental risk and costs or may not provide sufficient coverage in the event of an environmental or product liability claim, and defense of such claims can be costly, even when such defense prevails. If significant uninsured losses arise from environmental or product liability claims, or if the costs of environmental compliance increase for any reason, our results of operations and financial condition could be adversely affected.

We have debt outstanding that could adversely affect our financial flexibility and subjects us to restrictions and limitations that could significantly impact our ability to operate our business.

As of December 31, 2023, we had total consolidated debt outstanding of approximately \$8.0 billion. The level of debt outstanding each period could adversely affect our financial flexibility. We also bear risk at the time our debt matures. Our ability to make interest and principal payments, to refinance our debt obligations and to fund our acquisition program and planned capital expenditures will depend on our ability to generate cash from operations. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control, such as an environment of rising interest rates. A small portion of our private placement debt consists of floating rate notes, and interest payments under our senior revolving credit facility are based on a floating rate which exposes us to the risk of a changing or unknown rate environment. Our indebtedness will also reduce the ability to use that cash for other purposes, including working capital, dividends to stockholders, acquisitions, capital expenditures, share repurchases, and general corporate purposes. If we cannot service our indebtedness, we may have to take actions such as selling assets, issuing additional equity or reducing or delaying capital expenditures, strategic acquisitions, and investments, any of which could impede the implementation of our business strategy or prevent us from entering into transactions that would otherwise benefit our business. Additionally, we may not be able to effect such actions, if necessary, or refinance any of our indebtedness on commercially reasonable terms, or at all.

The agreements governing our debt include covenants that, among other things, restrict our ability to dispose of assets, incur additional debt, engage in certain asset sales, mergers, acquisitions or similar transactions, create liens on assets, engage in certain transactions with affiliates, change our business or make investments, and require us to comply with certain financial and legal covenants. The restrictions in the agreements governing our debt may prevent us from taking actions that we believe would be in the best interest of our business and our stockholders and may make it difficult for us to execute our business strategy successfully or effectively compete with companies that are not similarly restricted. We may also incur future debt obligations

that might subject us to additional or more restrictive covenants that could affect our financial and operational flexibility, including our ability to pay dividends. We cannot make any assurances that we will be able to refinance our debt or obtain additional financing on terms acceptable to us, or at all. A failure to comply with the restrictions under the agreements governing our debt could result in a default under the financing obligations or could require us to obtain waivers from our lenders for failure to comply with these restrictions. The occurrence of a default that remains uncured or the inability to secure a necessary consent or waiver could cause our obligations with respect to our debt to be accelerated and have a material adverse effect on our financial condition and results of operations.

Our reinsurance securities business serves from time to time as the underwriter and initial purchaser of securities (such as catastrophe bonds) issued by our reinsurance company clients. This involves us, acting as an intermediary, to use our capital on hand and short-term borrowings to cover the purchase price of the securities. We place the securities with investors and use the funds we receive from them to repay our obligations. Risks specific to these short-term borrowings include counterparty risk (which is the risk that arises due to uncertainty about a counterparty's ability to meet its obligations) with respect to the investors. Non-performance by any of our counterparties in these transactions for financial or other reasons could potentially expose us to material losses.

Credit rating downgrades would increase our financing costs and could subject us to operational risk.

If we need to raise capital in the future (for example, in order to maintain adequate liquidity, fund maturing debt obligations or finance acquisitions or other initiatives), credit rating downgrades would increase our financing costs, and could limit our access to financing sources. We would also face the risk of a credit rating downgrade if we do not retire or refinance the debt to levels acceptable to the credit rating agencies in a timely manner. Further, a downgrade to a rating below investment-grade could result in greater operational risks through increased operating costs and increased competitive pressures.

We are a holding company and, therefore, may not be able to receive dividends or other distributions in needed amounts from our subsidiaries.

We are organized as a holding company, a legal entity separate and distinct from our operating subsidiaries. As a holding company without significant operations of our own, we are dependent upon dividends and other payments from our operating subsidiaries to meet our obligations for paying principal and interest on outstanding debt obligations, for paying dividends to stockholders, repurchasing our common stock and for corporate expenses. In the event our operating subsidiaries are unable to pay sufficient dividends and other payments to us, we may not be able to service our debt, pay our obligations, pay dividends on or repurchase our common stock.

Further, we derive a meaningful portion of our revenue and operating profit from operating subsidiaries located outside the U.S. Since the majority of financing obligations as well as dividends to stockholders are paid from the U.S., it is important to be able to access the cash generated by our operating subsidiaries located outside the U.S. in the event we are unable to meet these U.S. based cash requirements.

Funds from our operating subsidiaries outside the U.S. may be repatriated to the U.S. via stockholder distributions and intercompany financings, where necessary. A number of factors may arise that could limit our ability to repatriate funds or make repatriation cost prohibitive, including, but not limited to the imposition of currency controls and other government restrictions on repatriation in the jurisdictions in which our subsidiaries operate, fluctuations in foreign exchange rates, the imposition of withholding and other taxes on such payments and our ability to repatriate earnings in a tax-efficient manner.

In the event we are unable to generate or repatriate cash from our operating subsidiaries for any of the reasons discussed above, our overall liquidity could deteriorate and our ability to finance our obligations, including to pay dividends on or repurchase our common stock, could be adversely affected.

Future sales or other dilution of our equity could adversely affect the market price of our common stock.

An important way we grow our business is through acquisitions. One method of acquiring companies or otherwise funding our corporate activities is through the issuance of additional equity securities. The issuance of any additional shares of common or of preferred stock or convertible securities could be substantially dilutive to holders of our common stock. Moreover, to the extent that we issue restricted stock units, performance stock units, options or warrants to purchase shares of our common stock in the future and those options or warrants are exercised or as the restricted stock units or performance stock units vest, our stockholders will experience further dilution. In November 2022, we established an "at the market" equity offering program (which we refer to as an ATM program) pursuant to which we may offer and sell up to 3,000,000 shares of our common stock. We have refreshed our ATM program in the past and expect to refresh our ATM program periodically. Sales under our ATM

program will result in additional dilution for our stockholders. Holders of our common stock have no preemptive rights that entitle holders to purchase their pro rata share of any offering of shares of any class or series and, therefore, such sales or offerings could result in increased dilution to our stockholders. The market price of our common stock could decline as a result of sales of shares of our common stock or the perception that such sales could occur.

Item 1B. Unresolved Staff Comments.

Not applicable.

Item 1C. Cybersecurity.

We have implemented a cybersecurity program to assess, identify, and manage risks from cybersecurity threats that could adversely and materially affect the confidentiality, integrity, and availability of our information and information systems. We maintain administrative, technical, and physical safeguards designed to protect the security and privacy of confidential, personal and proprietary information. Our cybersecurity program is aligned with notable control frameworks such as the NIST CSF (National Institute of Standard and Technology Cybersecurity Framework) and ISO (International Organization for Standardization) 27001.

Our cybersecurity program leverages people, processes, and technology to identify and respond to cybersecurity threats. We have a global incident response capability. We also have established a dedicated vendor assessment team, which employs systems and processes designed to oversee, identify, and reduce the potential impact of a security incident at a third-party vendor, service provider or customer or otherwise implicating the third-party technology and systems we use, as well as a global training and awareness program. We also continuously test and assess our cybersecurity posture, including through annual third-party risk assessments performed by reputable assessors, consultants and auditors. A global FAIR (Factor Analysis of Information Risk) assessment is conducted at least annually to update our cybersecurity risks and corresponding mitigations.

Our Chief Information Security Officer (CISO), working together with our Chief Information Officer (CIO), oversees a team of employees dedicated to cybersecurity. Our CISO receives ongoing updates from the cybersecurity team regarding the prevention, detection, mitigation, and remediation of cybersecurity incidents and regularly reports to the CIO. Our CISO is an active member of our management-level enterprise risk management committee, which has broad oversight of the company's enterprise risks, including cybersecurity risks. In addition, our CIO and CISO both attend regular meetings of the executive officer team, including our Chief Executive Officer, Chief Financial Officer and other senior executive officers, dedicated to compliance and risk, and report on cybersecurity matters as appropriate. Our Board of Directors has delegated primary responsibility for the oversight of cybersecurity matters to the Risk and Compliance Committee; however, the full board reviews significant cybersecurity matters as appropriate. Our CIO and CISO report on cybersecurity and information security at each meeting of the Risk and Compliance Committee.

Our CIO has more than 30 years of experience, including from his prior business and technology leadership roles at Aegon N.V., Citigroup, Inc. and JP Morgan Chase & Company. Our CISO has more than 20 years of cybersecurity experience. Prior to joining us he was Senior Vice President, Chief Information Security Officer at Brighthouse Financial, served as Technology Vice President & Chief Information Security Officer for GE Healthcare and started his career at Allstate Insurance Company. He also holds security, privacy and risk certifications, including Certified Information Systems Auditor, Certified Information Security Manager and Certified Information Systems Security Professional.

To date, risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, have not materially affected us, including our business strategy, results of operations or financial condition, and we do not believe that such risks are reasonably likely to have such an effect over the long term. However, due to evolving cybersecurity threats, we may not be able to protect all information systems and, as an acquisitive organization, integrating information systems as we acquire new businesses may expose us to unexpected liabilities or increase our vulnerability. Additional information on cybersecurity risks we face is discussed in Item 1A of Part I, "Risk Factors," which should be read in conjunction with the foregoing information.

Item 2. Properties.

The executive offices of our corporate segment and certain subsidiary and branch facilities of our brokerage and risk management segments are located at 2850 Golf Road, Rolling Meadows, Illinois, where we own approximately 360,000 square feet of space, and can accommodate 2,000 employees at peak capacity.

Elsewhere, we generally operate in leased premises related to the facilities of our brokerage and risk management operations. We prefer to lease office space rather than own real estate related to the branch facilities of our brokerage and risk management segments. Certain of our office space leases have options permitting renewals for additional periods. In addition to minimum fixed rentals, a number of our leases contain annual escalation clauses generally related to increases in an inflation index. See

Notes 15 and 17 to our 2023 consolidated financial statements for information with respect to our lease commitments as of December 31, 2023.

Item 3. Legal Proceedings.

Please see the information set forth in Note 17 to our consolidated financial statements, included herein, under “Litigation, Regulatory and Taxation Matters.”

Item 4. Mine Safety Disclosures.

Not applicable.

Information About Our Executive Officers

Set forth below are the names, ages, positions and business backgrounds of our executive officers as of the date hereof:

Name	Age	Position and Year First Elected
J. Patrick Gallagher, Jr.	71	Chairman since 2006, Chief Executive Officer since 1995, President 1990 - 2024
Thomas J. Gallagher	65	President since 2024, President of our Global Property/Casualty Brokerage Operations 2017 - 2024, Chairman of our International Brokerage Operation 2010 - 2016
Patrick M. Gallagher	44	Executive Vice President, Chief Operating Officer since 2024, Corporate Vice President and President of Property/Casualty Brokerage Operation in the Americas 2021 - 2024, Chairman, Canada and Caribbean and CEO of Latin America 2019 - 2021, President, Midwest Region of Property/Casualty Brokerage Operation 2016 - 2019
Walter D. Bay	61	Corporate Vice President, General Counsel, Secretary since 2007
Mark H. Bloom	59	Corporate Vice President and Global Chief Information Officer since 2022. Global Chief Information Officer at Aegon N.V., 2016 - 2021
Joel D. Cavaness	62	Chairman, Americas Specialty (Wholesale Brokerage) since 2024, Corporate Vice President since 2000, President of our Wholesale Brokerage Operation since 1997 - 2024
Douglas K. Howell	62	Corporate Vice President, Chief Financial Officer since 2003
Scott R. Hudson	62	Corporate Vice President and President of our Risk Management Operations since 2010
Vishal Jain	62	Corporate Vice President since 2016, Chief Service Officer since 2014
Christopher E. Mead	56	Corporate Vice President, Chief Marketing Officer since 2017
Susan E. Pietrucha	57	Corporate Vice President, Chief Human Resource Officer since 2007
William F. Ziebell	61	President of our Employee Benefit and Consulting Brokerage Operations since 2017, Corporate Vice President since 2011, regional leader in our Employee Benefit and Consulting Brokerage Operations 2004 - 2016

With the exception of Mr. Bloom, we have employed each such person principally in management capacities for more than the past five years. All executive officers are appointed annually and serve at the discretion of our board of directors.

Part II

Item 5. Market for the Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our common stock is listed on the New York Stock Exchange, trading under the symbol “AJG.”

As of January 31, 2024, there were approximately 1,000 holders of record of our common stock.

(c) Issuer Purchases of Equity Securities

The following table shows the purchases of our common stock made by or on behalf of us or any “affiliated purchaser” (as such term is defined in Rule 10b-18(a)(3) under the Securities Exchange Act of 1934, as amended) of us for each fiscal month in the three-month period ended December 31, 2023:

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (3)	Maximum Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (3) (4)
October 1 through October 31, 2023	1,177	\$ 234.06	—	\$ 1,500
November 1 through November 30, 2023	24,020	242.81	—	1,500
December 1 through December 31, 2023	16,461	224.95	—	1,500
Total	41,658	\$ 235.50	—	

(1) Amounts in this column include shares of our common stock purchased by the trustees of trusts established under our Deferred Equity Participation Plan (which we refer to as the DEPP), our Deferred Cash Participation Plan (which we refer to as the DCP) and our Supplemental Savings and Thrift Plan (which we refer to as the Supplemental Plan), respectively. These plans are considered to be unfunded for purposes of federal tax law since the assets of these trusts are available to our creditors in the event of our financial insolvency. The DEPP is an unfunded, non-qualified deferred compensation plan that generally provides for awards to certain of our key executives that do not vest and/or distribute until participants reach age 62 (or the one-year anniversary of the date of grant for participants over the age of 61). Under sub-plans of the DEPP for certain production staff, the plan generally provides for vesting and/or distributions no sooner than five years from the date of awards, although certain awards vest and/or distribute after the earlier of fifteen years or the participant reaching age 65. See Note 11 to our 2023 consolidated financial statements for more information regarding the DEPP. The DCP is an unfunded, non-qualified deferred compensation plan for certain key employees, other than executive officers, that generally provides for vesting and/or distributions no sooner than five years from the date of awards. Under the terms of the DEPP and the DCP, we may contribute cash to the trust and instruct the trustee to acquire a specified number of shares of our common stock on the open market or in privately negotiated transactions. For the fourth quarter of 2023, we instructed the trustee for the DEPP and the DCP to reinvest dividends on shares of our common stock held by these trusts and to purchase our common stock using cash that we contributed to the DCP related to 2023 awards under the DCP. The Supplemental Plan is an unfunded, non-qualified deferred compensation plan that allows certain highly compensated employees to defer compensation, including company match amounts, on a before-tax basis or after-tax basis. Under the terms of the Supplemental Plan, all amounts credited to an employee’s account may be deemed invested, at the employee’s election, in a number of investment options that include various mutual funds, an annuity product and a fund representing our common stock. When an employee elects to have some or all of the amounts credited to the employee’s account under the Supplemental Plan deemed to be invested in the fund representing our common stock, the trustee of the trust for the Supplemental Plan purchases shares of our common stock in a number sufficient to ensure that the trust holds a number of shares of our common stock with a value equal to the amounts deemed invested in the fund representing our common stock. This is to ensure that at the time when an employee becomes entitled to a distribution under the terms of the Supplemental Plan, any amounts deemed to be invested in the fund representing our common stock are distributed in the form of shares of our common stock held by the trust. We established the trusts for the DEPP, the DCP and the Supplemental Plan to assist us in discharging our deferred compensation obligations under these plans. All assets of these trusts, including any shares of our common stock purchased by the trustees, remain, at all times, assets of the Company, subject to the claims of our creditors in the event of our financial insolvency. The terms of the DEPP, the DCP and the Supplemental Plan do not provide for a specified limit on the number of shares of common stock that may be purchased by the respective trustees of the trusts.

(2) The average price paid per share is calculated on a settlement basis and does not include commissions.

- (3) Effective July 28, 2021, the board of directors approved a common stock repurchase plan of up to \$1.5 billion of common stock. Repurchases of common stock may be effected from time to time through open market purchases, trading plans established in accordance with the U.S. Securities and Exchange Commission's rules, accelerated stock repurchases, private transactions or other means, depending on satisfactory market conditions, applicable legal requirements and other factors. The repurchase plan has no expiration date and we are under no commitment or obligation to repurchase any particular amount of our common stock under the plan. At our discretion, we may suspend the repurchase plan at any time.
- (4) Dollar values stated in millions.

Item 6. [Reserved].

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Introduction

The following discussion and analysis should be read in conjunction with our consolidated financial statements and the related notes included in Item 8 of this annual report. In addition, please see "Information Regarding Non-GAAP Measures and Other" beginning on page 38 for a reconciliation of the non-GAAP measures for adjusted total revenues, organic commission, fee and supplemental revenues and adjusted EBITDAC to the comparable GAAP measures, as well as other important information regarding these measures.

We are engaged in providing insurance brokerage, reinsurance brokerage, consulting services, and third-party property/casualty claims settlement and administration services to entities and individuals around the world. We believe that one of our major strengths is our ability to deliver comprehensively structured insurance and risk management services to our clients. Our brokers, agents and administrators act as intermediaries between underwriting enterprises and our clients and we do not assume net underwriting risks. We are headquartered in Rolling Meadows, Illinois, and provide brokerage, risk management and consulting services in approximately 130 countries around the world through our owned operations and a network of correspondent brokers and consultants. In 2023, we expanded, and expect to continue to expand, our international operations through both acquisitions and organic growth. We generate approximately 64% of our revenues for the combined brokerage and risk management segments domestically, with the remaining 36% generated internationally, primarily in the Australia, Canada, New Zealand and the U.K. (based on 2023 revenues). We have three reportable segments: brokerage, risk management and corporate. Brokerage and risk management contributed approximately 86% and 14%, respectively, to 2023 revenues. The corporate segment generated revenues from our clean energy investments until 2022, during which we ran-off existing chemical supplies as part of the wind down of such investments' operations, after our ability to generate additional tax credits from qualified refined coal pursuant to IRC Section 45 ended in December 2021. Our major sources of operating revenues are commissions, fees and supplemental and contingent revenues from brokerage operations and fees from risk management operations. Investment income is generated from invested cash and fiduciary funds, clean energy investments (prior to 2022), and revenue from premium financing.

Prior Year Discussion of Results and Comparisons

For information on fiscal 2022 results and similar comparisons, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Form 10-K for the fiscal year ended December 31, 2022.

Summary of Financial Results - Year Ended December 31,

See the reconciliations of non-GAAP measures on page 36.

	Year 2023		Year 2022		Change	
	Reported GAAP	Adjusted Non-GAAP	Reported GAAP	Adjusted Non-GAAP	Reported GAAP	Adjusted Non-GAAP
(In millions, except per share data)						
Brokerage Segment						
Revenues	\$ 8,637.2	\$ 8,627.6	\$ 7,303.8	\$ 7,266.6	18 %	19 %
Organic revenues		\$ 7,753.9		\$ 7,122.6		8.9 %
Net earnings	\$ 1,169.4		\$ 1,201.8		(3 %)	
Net earnings margin	13.5 %		16.5 %		-292 bpts	
Adjusted EBITDAC		\$ 2,962.6		\$ 2,472.5		20 %
Adjusted EBITDAC margin		34.3 %		34.0 %		+31 bpts
Diluted net earnings per share	\$ 5.30	\$ 9.39	\$ 5.58	\$ 8.00	(5 %)	17 %
Risk Management Segment						
Revenues before reimbursements	\$ 1,287.6	\$ 1,287.2	\$ 1,092.6	\$ 1,086.8	18 %	18 %
Organic revenues		\$ 1,254.2		\$ 1,082.8		15.8 %
Net earnings	\$ 154.0		\$ 115.8		33 %	
Net earnings margin (before reimbursements)	12.0 %		10.6 %		+136 bpts	
Adjusted EBITDAC		\$ 257.9		\$ 200.6		29 %
Adjusted EBITDAC margin (before reimbursements)		20.0 %		18.5 %		+158 bpts
Diluted net earnings per share	\$ 0.70	\$ 0.74	\$ 0.54	\$ 0.56	30 %	32 %
Corporate Segment						
Diluted net loss per share	\$ (1.58)	\$ (1.37)	\$ (0.93)	\$ (1.02)		
Total Company						
Diluted net earnings per share	\$ 4.42	\$ 8.76	\$ 5.19	\$ 7.54	(15 %)	16 %
Total Brokerage and Risk Management Segment						
Diluted net earnings per share	\$ 6.00	\$ 10.13	\$ 6.12	\$ 8.56	(2 %)	18 %

In our corporate segment, net after-tax (loss) earnings from our clean energy investments was \$(11.5) million and \$(9.2) million in 2023 and 2022, respectively. At this time, we anticipate our clean energy investments will produce after-tax losses in 2024.

The following provides information that management believes is helpful when comparing revenues before reimbursements, net earnings, EBITDAC and diluted net earnings per share for 2023 and 2022. In addition, these tables provide reconciliations to the most comparable GAAP measures for adjusted revenues, adjusted EBITDAC and adjusted diluted net earnings per share. Reconciliations of EBITDAC for the brokerage and risk management segments are provided on pages 42 and 48 of this filing.

Year Ended December 31 Reported GAAP to Adjusted Non-GAAP Reconciliation:
(In millions, except per share data)

Segment	Revenues Before Reimbursements		Net Earnings (Loss)		EBITDAC		Diluted Net Earnings (Loss) Per Share		
	2023	2022	2023	2022	2023	2022	2023	2022	Chg
Brokerage, as reported	\$ 8,637.2	\$ 7,303.8	\$ 1,169.4	\$ 1,201.8	\$ 2,595.8	\$ 2,239.2	\$ 5.30	\$ 5.58	-5 %
Net gains on divestitures	(9.6)	(12.1)	(7.2)	(9.5)	(9.6)	(12.1)	(0.03)	(0.05)	
Acquisition integration	—	—	184.5	132.7	243.7	167.9	0.84	0.62	
Workforce and lease termination	—	—	48.0	40.2	63.4	48.9	0.22	0.19	
Acquisition related adjustments	—	—	278.8	56.0	69.3	46.8	1.27	0.26	
Amortization of intangible assets	—	—	392.3	342.3	—	—	1.79	1.59	
Effective income tax rate impact	—	—	—	(26.0)	—	—	—	(0.13)	
Levelized foreign currency translation	—	(25.1)	—	(13.8)	—	(18.2)	—	(0.06)	
Brokerage, as adjusted *	<u>8,627.6</u>	<u>7,266.6</u>	<u>2,065.8</u>	<u>1,723.7</u>	<u>2,962.6</u>	<u>2,472.5</u>	<u>9.39</u>	<u>8.00</u>	17 %
Risk Management, as reported	1,287.6	1,092.6	154.0	115.8	253.4	193.8	\$ 0.70	\$ 0.54	30 %
Net gains on divestitures	(0.4)	(0.9)	(0.3)	(0.6)	(0.4)	(0.9)	—	—	
Acquisition integration	—	—	0.7	1.4	1.0	1.8	—	0.01	
Workforce and lease termination	—	—	2.5	4.8	3.4	6.4	0.01	0.02	
Acquisition related adjustments	—	—	0.4	(5.8)	0.5	0.4	—	(0.03)	
Amortization of intangibles assets	—	—	5.6	4.6	—	—	0.03	0.02	
Levelized foreign currency translation	—	(4.9)	—	(0.7)	—	(0.9)	—	—	
Risk Management, as adjusted *	<u>1,287.2</u>	<u>1,086.8</u>	<u>162.9</u>	<u>119.5</u>	<u>257.9</u>	<u>200.6</u>	<u>0.74</u>	<u>0.56</u>	32 %
Corporate, as reported	1.7	23.7	(357.4)	(201.6)	(293.6)	(166.5)	\$ (1.58)	\$ (0.93)	
Corporate related adjustments (see page 55)	—	—	54.8	(19.5)	82.6	28.4	0.21	(0.09)	
Corporate, as adjusted *	<u>1.7</u>	<u>23.7</u>	<u>(302.6)</u>	<u>(221.1)</u>	<u>(211.0)</u>	<u>(138.1)</u>	<u>(1.37)</u>	<u>(1.02)</u>	
Total Company, as reported	<u>\$ 9,926.5</u>	<u>\$ 8,420.1</u>	<u>\$ 966.0</u>	<u>\$ 1,116.0</u>	<u>\$ 2,555.6</u>	<u>\$ 2,266.5</u>	<u>\$ 4.42</u>	<u>\$ 5.19</u>	-15 %
Total Company, as adjusted *	<u>\$ 9,916.5</u>	<u>\$ 8,377.1</u>	<u>\$ 1,926.1</u>	<u>\$ 1,622.1</u>	<u>\$ 3,009.5</u>	<u>\$ 2,535.0</u>	<u>\$ 8.76</u>	<u>\$ 7.54</u>	16 %
Total Brokerage and Risk Management, as reported	<u>\$ 9,924.8</u>	<u>\$ 8,396.4</u>	<u>\$ 1,323.4</u>	<u>\$ 1,317.6</u>	<u>\$ 2,849.2</u>	<u>\$ 2,433.0</u>	<u>\$ 6.00</u>	<u>\$ 6.12</u>	-2 %
Total Brokerage and Risk Management, as adjusted *	<u>\$ 9,914.8</u>	<u>\$ 8,353.4</u>	<u>\$ 2,228.7</u>	<u>\$ 1,843.2</u>	<u>\$ 3,220.5</u>	<u>\$ 2,673.1</u>	<u>\$ 10.13</u>	<u>\$ 8.56</u>	18 %

* For the year ended December 31, 2023, the pretax impact of the brokerage segment adjustments totals \$1,192.0 million, mostly due to non-cash period expenses related to intangible amortization and acquisition earnout payable adjustments, with a corresponding adjustment to the provision for income taxes of \$295.6 million relating to these items. For the year ended December 31, 2023, the pretax impact of the risk management segment adjustments totals \$12.2 million, with a corresponding adjustment to the provision for income taxes of \$3.3 million relating to these items. For the year ended December 31, 2023, the pretax impact of the corporate segment adjustments totals \$82.6 million, with a corresponding adjustment to the benefit for income taxes of \$27.8 million relating to these items and other tax items noted on page 54. For the corporate segment, the clean energy related adjustments are described on page 54.

Reconciliation of Non-GAAP Measures - Pre-tax Earnings and Diluted Net Earnings per Share

(In millions except share and per share data)

	Earnings (Loss) Before Income Taxes	Provision (Benefit) for Income Taxes	Net Earnings (Loss)	Net Earnings (Loss) Attributable to Noncontrolling Interests	Net Earnings (Loss) Attributable to Controlling Interests	Diluted Net Earnings (Loss) per Share
Year Ended Dec 31, 2023						
Brokerage, as reported	\$ 1,571.0	\$ 401.6	\$ 1,169.4	\$ 6.3	\$ 1,163.1	\$ 5.30
Net gains on divestitures	(9.6)	(2.4)	(7.2)	—	(7.2)	(0.03)
Acquisition integration	243.7	59.2	184.5	—	184.5	0.84
Workforce and lease termination	63.8	15.8	48.0	—	48.0	0.22
Acquisition related adjustments	370.5	91.7	278.8	—	278.8	1.27
Amortization of intangible assets	523.6	131.3	392.3	—	392.3	1.79
Brokerage, as adjusted	\$ 2,763.0	\$ 697.2	\$ 2,065.8	\$ 6.3	\$ 2,059.5	\$ 9.39
Risk Management, as reported	\$ 209.3	\$ 55.3	\$ 154.0	\$ —	\$ 154.0	\$ 0.70
Net gains on divestitures	(0.4)	(0.1)	(0.3)	—	(0.3)	—
Acquisition integration	1.0	0.3	0.7	—	0.7	—
Workforce and lease termination	3.4	0.9	2.5	—	2.5	0.01
Acquisition related adjustments	0.5	0.1	0.4	—	0.4	—
Amortization of intangible assets	7.7	2.1	5.6	—	5.6	0.03
Risk Management, as adjusted	\$ 221.5	\$ 58.6	\$ 162.9	\$ —	\$ 162.9	\$ 0.74
Corporate, as reported	\$ (595.2)	\$ (237.8)	\$ (357.4)	\$ (9.8)	\$ (347.6)	\$ (1.58)
Transaction-related costs	22.6	4.9	17.7	—	17.7	0.08
Legal and tax related	48.0	21.8	26.2	—	26.2	0.12
Clean energy related	12.0	1.1	10.9	7.6	3.3	0.01
Corporate, as adjusted	\$ (512.6)	\$ (210.0)	\$ (302.6)	\$ (2.2)	\$ (300.4)	\$ (1.37)
Year Ended Dec 31, 2022						
Brokerage, as reported	\$ 1,596.5	\$ 394.7	\$ 1,201.8	\$ 4.4	\$ 1,197.4	\$ 5.58
Net gains on divestitures	(12.1)	(2.6)	(9.5)	—	(9.5)	(0.05)
Acquisition integration	167.9	35.2	132.7	—	132.7	0.62
Workforce and lease termination	51.4	11.2	40.2	—	40.2	0.19
Acquisition related adjustments	77.0	21.0	56.0	—	56.0	0.26
Amortization of intangible assets	448.7	106.4	342.3	—	342.3	1.59
Effective income tax rate impact	—	26.0	(26.0)	—	(26.0)	(0.13)
Levelized foreign currency translation	(19.1)	(5.3)	(13.8)	—	(13.8)	(0.06)
Brokerage, as adjusted	\$ 2,310.3	\$ 586.6	\$ 1,723.7	\$ 4.4	\$ 1,719.3	\$ 8.00
Risk Management, as reported	\$ 157.2	\$ 41.4	\$ 115.8	\$ —	\$ 115.8	\$ 0.54
Net gains on divestitures	(0.9)	(0.3)	(0.6)	—	(0.6)	—
Acquisition integration	1.8	0.4	1.4	—	1.4	0.01
Workforce and lease termination	6.5	1.7	4.8	—	4.8	0.02
Acquisition related adjustments	(7.8)	(2.0)	(5.8)	—	(5.8)	(0.03)
Amortization of intangible assets	6.2	1.6	4.6	—	4.6	0.02
Levelized foreign currency translation	(0.6)	0.1	(0.7)	—	(0.7)	—
Risk Management, as adjusted	\$ 162.4	\$ 42.9	\$ 119.5	\$ —	\$ 119.5	\$ 0.56
Corporate, as reported	\$ (426.7)	\$ (225.1)	\$ (201.6)	\$ (2.6)	\$ (199.0)	\$ (0.93)
Transaction-related costs	33.4	2.7	30.7	—	30.7	0.14
Income tax related	(5.0)	45.2	(50.2)	—	(50.2)	(0.23)
Corporate, as adjusted	\$ (398.3)	\$ (177.2)	\$ (221.1)	\$ (2.6)	\$ (218.5)	\$ (1.02)

Acquisition of My Plan Manager, Cadence Insurance, Eastern Insurance and Buck

On December 6, 2023, we acquired all of the issued and outstanding shares of My Plan Manager. See Note 3 to our 2023 consolidated financial statements for information on the purchase price consideration paid to acquire My Plan Manager. We funded the transaction using free cash flow and borrowings under our Credit Agreement (see Financing Cash Flow section below). The acquired My Plan Manager is the leading provider of plan management services to participants in Australia's National Disability Insurance Scheme.

On November 30, 2023, we acquired all of the issued and outstanding shares of Cadence Insurance. See Note 3 to our 2023 consolidated financial statements for information on the purchase price consideration paid to acquire Cadence Insurance. We funded the transaction using free cash flow and funds received from an unsecured senior notes offering. The acquired Cadence Insurance business offers a full suite of commercial property/casualty, employee benefits and personal lines products to clients from 34 offices spanning nine states across the Southeast, including Texas.

On October 31, 2023, we acquired the net assets of Eastern Insurance. See Note 3 to our 2023 consolidated financial statements for information on the purchase price consideration paid to acquire Eastern Insurance. We funded the transaction using free cash flow and funds received from an unsecured senior notes offering. The acquired Eastern Insurance business offers comprehensive commercial property/casualty and personal lines products as well as employee benefits consulting to clients throughout the Northeastern U.S.

On April 3, 2023 we acquired the partnership interests of Buck. See Note 3 to our 2023 consolidated financial statements for information on the purchase price consideration paid to acquire Buck. We funded the transaction using free cash flow and funds received from an unsecured senior notes offering. The acquired Buck business is a leading provider of retirement, human resource and employee benefits consulting and administration services operating for more than 100 years with a diverse client base by both size and industry. Immediately prior to closing, Buck had over 2,300 employees, including more than 220 credentialed actuaries, primarily serving customers throughout the U.S., Canada and the U.K.

Insurance Market Overview

Fluctuations in premiums charged by property/casualty underwriting enterprises have a direct and potentially material impact on the insurance brokerage industry. Commission revenues are generally based on a percentage of the premiums paid by insureds and normally follow premium levels. Insurance premiums are cyclical in nature and may vary widely based on market conditions. Various factors, including competition for market share among underwriting enterprises, increased underwriting capacity and improved economies of scale following consolidations, can result in flat or reduced property/casualty premium rates (a "soft" market). A soft market tends to put downward pressure on commission revenues. Various countervailing factors, such as greater than anticipated loss experience, unexpected loss exposure and capital shortages, can result in increasing property/casualty premium rates (a "hard" market). A hard market tends to favorably impact commission revenues. Hard and soft markets may be broad-based or more narrowly focused across individual product lines or geographic areas. As markets harden, buyers of insurance (such as our brokerage clients), have historically tried to mitigate premium increases and the higher commissions these premiums generate, including by raising their deductibles and/or reducing the overall amount of insurance coverage they purchase. As the market softens, or costs decrease, these trends have historically reversed. During a hard market, buyers may switch to negotiated fee in lieu of commission arrangements to compensate us for placing their risks, or may consider the alternative insurance market, which includes self-insurance, captives, rent-a-captives, risk retention groups and capital market solutions to transfer risk. Our brokerage units are very active in these markets as well. While increased use by insureds of these alternative markets historically has reduced commission revenue to us, such trends generally have been accompanied by new sales and renewal increases in the areas of risk management, claims management, captive insurance and self-insurance services and related growth in fee revenue. Inflation tends to increase the levels of insured values and risk exposures, resulting in higher overall premiums and higher commissions. However, the impact of hard and soft market fluctuations has historically had a greater impact on changes in premium rates, and therefore on our revenues, than inflationary pressures.

We use the Council of Insurance Agents & Brokers (which we refer to as the CIAB) insurance pricing quarterly survey as an indicator of the insurance rate environment. The CIAB represents the leading domestic and international insurance brokers, who write approximately 85% of the commercial property/casualty premiums in the U.S. The fourth quarter 2023 survey had not been published as of the filing date of this report. The first three 2023 quarterly surveys indicated that U.S. commercial property/casualty rates increased by 8.8%, 8.9%, and 8.1% on average, for the first, second and third quarters of 2023, respectively. We expect a similar trend to be noted when the CIAB fourth quarter 2023 survey report is issued, which would indicate overall continued price firming and hardening in most lines of business.

We believe increases in property/casualty rates will continue throughout 2024 due to rising loss costs, a hard reinsurance market, increased frequency of catastrophe losses and social inflation. If loss trends deteriorate over the coming quarters, including due to the impact of natural catastrophes, it could lead to a more difficult rate and conditions environment in certain lines. The combination of increasing insurable values (due in large part to inflation, including wage inflation), a tight labor market and lower unemployment is likely contributing to increases in client insured exposures. Additionally, we expect that our history of strong new business generation, solid retentions and enhanced value-added services for our carrier partners should all result in further organic growth opportunities around the world. Overall, we believe that in a positive rate environment with increasing exposures, our professionals can demonstrate their expertise and high-quality, value-added capabilities by strengthening our clients' insurance portfolios and delivering insurance and risk management solutions within our clients' budget. Based on our experience, there is currently adequate capacity in the insurance and reinsurance market for most lines of coverage.

Clean energy investments - We have investments in limited liability companies that own or have owned 29 clean coal production plants developed by us and six clean coal production plants we purchased from a third party. All 35 plants produced refined coal using propriety technologies owned by Chem-Mod. We believe that the production and sale of refined coal at these plants prior to 2022 was qualified to receive refined coal tax credits under IRC Section 45. The plants which were placed in service prior to December 31, 2009 (which we refer to as the 2009 Era Plants) received tax credits through 2019 and the 21 plants which were placed in service prior to December 31, 2011 (which we refer to as the 2011 Era Plants) received tax credits through 2021. All twenty-one of the 2011 Era Plants were under long-term production contracts with several utilities. Those agreements ended December 31, 2021 due to the expiration of the IRC Section 45 program.

We also own a 46.5% controlling interest in Chem-Mod, which prior to 2022 marketed The Chem-Mod™ Solution proprietary technologies principally to refined fuel plants that sell refined fuel to coal-fired power plants owned by utility companies, including those plants in which we hold interests. Chem-Mod has not generated after-tax earnings since 2021.

Business Combinations and Dispositions

See Note 3 to our 2023 consolidated financial statements for a discussion of our 2023 business combinations.

Results of Operations

Information Regarding Non-GAAP Measures and Other

In the discussion and analysis of our results of operations that follows, in addition to reporting financial results in accordance with GAAP, we provide information regarding EBITDAC, EBITDAC margin, adjusted EBITDAC, adjusted EBITDAC margin, diluted net earnings per share, as adjusted (adjusted EPS), adjusted revenue, adjusted compensation and operating expenses, adjusted compensation expense ratio, adjusted operating expense ratio and organic revenue. These measures are not in accordance with, or an alternative to, the GAAP information provided in this report. We believe that these presentations provide useful information to management, analysts and investors regarding financial and business trends relating to our results of operations and financial condition or because they provide investors with measures that our chief operating decision maker uses when reviewing the company's performance. See further below for definitions and additional reasons each of these measures is useful to investors. Our industry peers may provide similar supplemental non-GAAP information with respect to one or more of these measures, although they may not use the same or comparable terminology and may not make identical adjustments. For example, our organic revenue is calculated differently than some of our industry peers. The non-GAAP information we provide should be used in addition to, but not as a substitute for, the GAAP information provided. We make determinations regarding certain elements of executive officer incentive compensation, performance share awards and annual cash incentive awards, partly on the basis of measures related to adjusted EBITDAC.

Adjusted Non-GAAP presentation - We believe that the adjusted non-GAAP presentation of our 2023 and 2022 information, presented on the following pages, provides stockholders and other interested persons with useful information regarding certain financial metrics that may assist such persons in analyzing our operating results as they develop a future earnings outlook for us. The after-tax amounts related to the adjustments were computed using the normalized effective tax rate for each respective period.

- **Adjusted measures** - We define these measures as revenues (for the brokerage segment), revenues before reimbursements (for the risk management segment), net earnings, compensation expense and operating expense, respectively, each adjusted to exclude the following, as applicable:
 - o Net gains on divestitures, which are primarily net proceeds received related to sales of books of business and other divestiture transactions, such as the disposal of a business through sale or closure.

- o Acquisition integration costs, which include costs related to certain large acquisitions (including Willis Re, the acquisition of Buck and the acquisitions of Cadence Insurance, Eastern Insurance and My Plan Manager), outside the scope of our usual tuck-in strategy, not expected to occur on an ongoing basis in the future once we fully assimilate the applicable acquisition. These costs are typically associated with redundant workforce, compensation expense related to amortization of certain retention bonus arrangements, extra lease space, duplicate services and external costs incurred to assimilate the acquisition into our IT related systems.
 - o Transaction-related costs, which primarily are associated with the acquisition of Willis Re (primarily related to deferred closings in certain jurisdictions in 2022), the acquisition of Buck and the acquisitions of Cadence Insurance, Eastern Insurance and My Plan Manager. These include costs related to regulatory filings, legal and accounting services, insurance and incentive compensation.
 - o Workforce related charges, which primarily include severance costs (either accrued or paid) related to employee terminations and other costs associated with redundant workforce.
 - o Lease termination related charges, which primarily include costs related to terminations of real estate leases and abandonment of leased space.
 - o Acquisition related adjustments, which include the change in estimated acquisition earnout payables adjustments and acquisition related compensation charges.
 - o Amortization of intangible assets which reflects the amortization of customer/expiration lists, non-compete agreements, trade names and other intangible assets acquired through our merger and acquisition strategy, the impact to amortization expense of acquisition valuation adjustments to these assets as well as non-cash impairment charges.
 - o The impact of foreign currency translation, as applicable. The amounts excluded with respect to foreign currency translation are calculated by applying current year foreign exchange rates to the same period in the prior year.
 - o Effective income tax rate impact, which levelizes the prior year for the change in current year tax rates.
 - o Clean energy related, which represents the resolution of various partnership matters related to our clean energy investments.
 - o Legal and tax related, which represents the impact of (a) adjustments in fourth quarter 2023 related to costs associated with legal and tax matters as well as the impact of tax items associated with 2022 tax returns filed in October 2023, (b) adjustments in second quarter of 2023 related to additional U.K. income tax expense related to the non-deductibility of acquisition-related adjustments made in the quarter and costs associated with legal and tax matters, (c) adjustments in second quarter 2022 related to a one-time U.S. state tax benefit that resulted from legal entity restructuring and a favorable U.K. tax impact related to earnout liability adjustments, and (d) adjustments in first quarter 2022 related to a one-time benefit related to the revaluation of certain deferred income tax assets associated with increasing our U.S. state effective income tax rate.
- **Adjusted ratios** - Adjusted compensation expense and adjusted operating expense, respectively, each divided by adjusted revenues.

Non-GAAP Earnings Measures

We believe that the presentation of EBITDAC, EBITDAC margin, adjusted EBITDAC, adjusted EBITDAC margin, adjusted EPS and adjusted net earnings for the brokerage and risk management segment, each as defined below, provides a meaningful representation of our operating performance. Adjusted EPS is a performance measure and should not be used as a measure of our liquidity. We also consider EBITDAC and EBITDAC margin as ways to measure financial performance on an ongoing basis. In addition, adjusted EBITDAC, adjusted EBITDAC margin and adjusted EPS for the brokerage and risk management segments are presented to improve the comparability of our results between periods by eliminating the impact of the items that have a high degree of variability.

- **EBITDAC and EBITDAC Margin** - EBITDAC is net earnings before interest, income taxes, depreciation, amortization and the change in estimated acquisition earnout payables and EBITDAC margin is EBITDAC divided by total revenues (for the brokerage segment) and revenues before reimbursements (for the risk management segment). These measures for the brokerage and risk management segments provide a meaningful representation of our operating performance for the overall business and provide a meaningful way to measure our financial performance on an ongoing basis.

- **Adjusted EBITDAC and Adjusted EBITDAC Margin** - Adjusted EBITDAC is EBITDAC adjusted to exclude net gains on divestitures, acquisition integration costs, workforce related charges, lease termination related charges, acquisition related adjustments, transaction related costs, legal and tax related costs, and the period-over-period impact of foreign currency translation, as applicable and Adjusted EBITDAC margin is Adjusted EBITDAC divided by total adjusted revenues (defined above). These measures for the brokerage and risk management segments provide a meaningful representation of our operating performance, and are also presented to improve the comparability of our results between periods by eliminating the impact of the items that have a high degree of variability.
- **Adjusted EPS and Adjusted Net Earnings** - Adjusted net earnings have been adjusted to exclude the after-tax impact of net gains on divestitures, acquisition integration costs, the impact of foreign currency translation, workforce related charges, lease termination related charges, acquisition related adjustments, transaction related costs, amortization of intangible assets, legal and tax related costs and effective income tax rate impact, as applicable. Adjusted EPS is Adjusted Net Earnings divided by diluted weighted average shares outstanding. This measure provides a meaningful representation of our operating performance (and as such should not be used as a measure of our liquidity), and for the overall business is also presented to improve the comparability of our results between periods by eliminating the impact of the items that have a high degree of variability.

Organic Revenues (a non-GAAP measure) - For the brokerage segment, organic change in base commission and fee revenues, supplemental revenues and contingent revenues excludes the first twelve months of such revenues generated from acquisitions and such revenues related to divested operations in each year presented. These revenues are excluded from organic revenues in order to help interested persons analyze the revenue growth associated with the operations that were a part of our business in both the current and prior year. In addition, organic change in base commission and fee revenues, supplemental revenues and contingent revenues exclude the period-over-period impact of foreign currency translation to improve the comparability of our results between periods. For the risk management segment, organic change in fee revenues excludes the first twelve months of such revenues generated from acquisitions and such revenues related to divested operations in each year presented. In addition, change in organic growth in fee revenues excludes the period-over-period impact of foreign currency translation to improve the comparability of our results between periods.

These revenue items are excluded from organic revenues in order to determine a comparable, but non-GAAP, measurement of revenue growth that is associated with the revenue sources that are expected to continue in the current year and beyond as well as eliminating the impact of the items that have a high degree of variability. We have historically viewed organic revenue growth as an important indicator when assessing and evaluating the performance of our brokerage and risk management segments. We also believe that using this non-GAAP measure allows readers of our financial statements to measure, analyze and compare the growth from our brokerage and risk management segments in a meaningful and consistent manner.

Reconciliation of Non-GAAP Information Presented to GAAP Measures - This report includes tabular reconciliations to the most comparable GAAP measures, as follows: for EBITDAC (on pages 42 and 48), for adjusted revenues, adjusted EBITDAC and adjusted diluted net earnings per share (on page 35), for organic revenue measures (on pages 43 and 48), respectively, for the brokerage and risk management segments, for adjusted compensation and operating expenses and adjusted EBITDAC margin (on page 45), respectively, for the brokerage segment and (on page 49) for the risk management segment.

Brokerage

The brokerage segment accounted for 86% of our revenue in 2023. Our brokerage segment is primarily comprised of retail, wholesale and Gallagher Re. Our brokerage segment generates revenues by:

- (i) Identifying, negotiating and placing all forms of insurance or coverage, as well as providing data analytics, risk-shifting, risk-sharing and risk-mitigation consulting services, principally related to property/casualty, life, health, welfare and disability insurance. We also provide these services through, or in conjunction with, other unrelated agents and brokers, consultants and management advisors;
- (ii) Identifying, negotiating and placing all forms of reinsurance coverage, as well as providing capital markets services, including acting as underwriter, with respect to insurance linked securities, weather derivatives, capital raising and selected merger and acquisition advisory activities;
- (iii) Acting as an agent or broker for multiple underwriting enterprises by providing services such as sales, marketing, selecting, negotiating, underwriting, servicing and placing insurance coverage on their behalf;

- (iv) Providing consulting services related to health and welfare benefits, voluntary benefits, executive benefits, compensation, retirement planning, institutional investment and fiduciary, actuarial, compliance, private insurance exchange, human resource technology, communications and benefits administration; and
- (v) Providing management and administrative services to captives, pools, risk-retention groups, healthcare exchanges, small underwriting enterprises, such as accounting, claims and loss processing assistance, feasibility studies, actuarial studies, data analytics and other administrative services.

The primary source of revenues for our brokerage services is commissions from underwriting enterprises, based on a percentage of premiums paid by our clients, or fees received from clients based on an agreed level of service usually in lieu of commissions. Commissions are fixed at the contract effective date and generally are based on a percentage of premiums for insurance coverage or employee headcount for employer sponsored benefit plans. Commissions depend upon a large number of factors, including the type of risk being placed, the particular underwriting enterprise's demand, the expected loss experience of the particular risk of coverage, and historical benchmarks surrounding the level of effort necessary for us to place and service the insurance contract. Rather than being tied to the amount of premiums, fees are most often based on an expected level of effort to provide our services. In addition, under certain circumstances, both retail brokerage and wholesale brokerage services receive supplemental and contingent revenues. Supplemental revenue is revenue paid by an underwriting enterprise that is above the base commission paid, is determined by the underwriting enterprise and is established annually in advance of the contractual period based on historical performance criteria. Contingent revenue is revenue paid by an underwriting enterprise based on the overall profit and/or volume of the business placed with that underwriting enterprise during a particular calendar year and is determined after the contractual period.

Financial information relating to our brokerage segment results for 2023 and 2022 (in millions, except per share, percentages and workforce data):

Statement of Earnings	2023	2022	Change
Commissions	\$ 5,865.0	\$ 5,187.4	\$ 677.6
Fees	1,885.0	1,476.9	408.1
Supplemental revenues	314.2	284.7	29.5
Contingent revenues	235.3	207.3	28.0
Interest income, premium finance revenues and other income	337.7	147.5	190.2
Total revenues	8,637.2	7,303.8	1,333.4
Compensation	4,769.1	4,024.7	744.4
Operating	1,272.3	1,039.9	232.4
Depreciation	124.4	103.6	20.8
Amortization	523.6	448.7	74.9
Change in estimated acquisition earnout payables	376.8	90.4	286.4
Total expenses	7,066.2	5,707.3	1,358.9
Earnings before income taxes	1,571.0	1,596.5	(25.5)
Provision for income taxes	401.6	394.7	6.9
Net earnings	1,169.4	1,201.8	(32.4)
Net earnings attributable to noncontrolling interests	6.3	4.4	1.9
Net earnings attributable to controlling interests	\$ 1,163.1	\$ 1,197.4	\$ (34.3)
Diluted net earnings per share	\$ 5.30	\$ 5.58	\$ (0.28)
Other Information			
Change in diluted net earnings per share	(5)%	15%	
Growth in revenues	18%	22%	
Organic change in commissions and fees	9%	9%	
Compensation expense ratio	55%	55%	
Operating expense ratio	15%	14%	
Effective income tax rate	26%	25%	
Workforce at end of period (includes acquisitions)	39,337	32,679	
Identifiable assets at December 31	\$ 47,446.1	\$ 34,675.0	

The following provides information that management believes is helpful when comparing EBITDAC and adjusted EBITDAC for 2023 and 2022 (in millions):

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Net earnings, as reported	\$ 1,169.4	\$ 1,201.8	-2.7%
Provision for income taxes	401.6	394.7	
Depreciation	124.4	103.6	
Amortization	523.6	448.7	
Change in estimated acquisition earnout payables	376.8	90.4	
EBITDAC	<u>2,595.8</u>	<u>2,239.2</u>	15.9%
Net gains on divestitures	(9.6)	(12.1)	
Acquisition integration	243.7	167.9	
Workforce and lease termination related charges	63.4	48.9	
Acquisition related adjustments	69.3	46.8	
Levelized foreign currency translation	—	(18.2)	
EBITDAC, as adjusted	<u>\$ 2,962.6</u>	<u>\$ 2,472.5</u>	19.8%
Net earnings margin, as reported	<u>13.5%</u>	<u>16.5%</u>	-292 bpts
EBITDAC margin, as adjusted	<u>34.3%</u>	<u>34.0%</u>	+31 bpts
Reported revenues	<u>\$ 8,637.2</u>	<u>\$ 7,303.8</u>	
Adjusted revenues - see page 36	<u>\$ 8,627.6</u>	<u>\$ 7,266.6</u>	

Commissions and fees - The aggregate increase in base commissions and fees for 2023 was due to revenues associated with acquisitions that were made during 2023 and 2022 (\$531.8 million) and organic revenue growth. Commission revenues increased 13% and fee revenues increased 28% in 2023 compared to 2022, respectively. The organic change in base commission and fee revenues was 9% in 2023 and 2022.

In our property/casualty brokerage operations, during the twelve-month period ended December 31, 2023, we saw continued strong customer retention and new business generation and increasing renewal premiums (premium rates and exposures). We believe these favorable trends should continue in 2024; however, if economic conditions worsen or premium rate increases slow, we could see our revenue growth soften.

Items excluded from organic revenue computations yet impacting revenue comparisons for 2023 and 2022 include the following (in millions):

	Year Ended December 31,		
	2023	2022	Change
Base Commissions and Fees			
Commission and fees, as reported	\$ 7,750.0	\$ 6,664.3	16.3 %
Less commission and fee revenues from acquisitions	(531.8)	—	
Less divested operations	—	(10.5)	
Levelized foreign currency translation	—	(21.8)	
Organic base commission and fees	<u>\$ 7,218.2</u>	<u>\$ 6,632.0</u>	8.8 %
Supplemental revenues			
Supplemental revenues, as reported	\$ 314.2	\$ 284.7	10.4 %
Less supplemental revenues from acquisitions	(4.9)	—	
Levelized foreign currency translation	—	(0.4)	
Organic supplemental revenues	<u>\$ 309.3</u>	<u>\$ 284.3</u>	8.8 %
Contingent revenues			
Contingent revenues, as reported	\$ 235.3	\$ 207.3	13.5 %
Less contingent revenues from acquisitions	(8.9)	—	
Levelized foreign currency translation	—	(1.0)	
Organic contingent revenues	<u>\$ 226.4</u>	<u>\$ 206.3</u>	9.7 %
Total reported commissions, fees, supplemental revenues and contingent revenues	\$ 8,299.5	\$ 7,156.3	16.0 %
Less commissions, fees, supplemental revenues and contingent revenues from acquisitions	(545.6)	—	
Less divested operations	—	(10.5)	
Levelized foreign currency translation	—	(23.2)	
Total organic commissions, fees supplemental revenues and contingent revenues	<u>\$ 7,753.9</u>	<u>\$ 7,122.6</u>	8.9 %
Acquisition Activity			
Number of acquisitions closed		2023 50	2022 36
Estimated annualized revenues acquired (in millions)		<u>\$ 826.0</u>	<u>\$ 244.0</u>

For 2023 and 2022, we issued 1,612,000 and 726,000, shares, respectively, of our common stock at the request of sellers and/or in connection with tax-free exchange acquisitions.

On November 30, 2023, we acquired all of the issued and outstanding shares of Cadence Insurance. See Note 3 to our 2023 consolidated financial statements for information on the purchase price consideration paid to acquire Cadence Insurance. We funded the transaction using free cash flow and funds received from an unsecured senior notes offering. The acquired Cadence Insurance business offers a full suite of commercial property/casualty, employee benefits and personal lines products to clients from 34 offices spanning nine states across the Southeast, including Texas.

On October 31, 2023, we acquired the net assets of Eastern Insurance. See Note 3 to our 2023 consolidated financial statements for information on the purchase price consideration paid to acquire Eastern Insurance. We funded the transaction using free cash flow and funds received from an unsecured senior notes offering. The acquired Eastern Insurance business offers comprehensive commercial property/casualty and personal lines products as well as employee benefits consulting to clients throughout the Northeastern U.S.

On April 3, 2023, we acquired the partnership interests of Buck. See Note 3 to our 2023 consolidated financial statements for information on the purchase price consideration paid to acquire Buck. We funded the transaction using free cash flow and funds received from an unsecured senior notes offering. The acquired Buck business is a leading provider of retirement, human resources and employee benefits consulting and administration services operating for more than 100 years and has a diverse client base by both size and industry. Immediately prior to closing, Buck had over 2,300 employees, including more than 220 credentialed actuaries, primarily serving customers throughout the Canada, the U.K. and the U.S.

On November 2, 2023, we closed and funded an offering of \$1,000.0 million of unsecured senior notes in two tranches. The \$400.0 million aggregate principal amount of 6.50% Senior Notes are due 2034 (which we refer to as the 2034 Notes) and \$600.0 million aggregate principal amount of 6.75% Senior Notes are due 2054 (which we refer to as the 2054 Notes). The weighted average interest rate is 5.97% per annum after giving effect to underwriting costs and a net hedge gain. During 2021 through 2023, we entered into a pre-issuance interest rate hedging transaction related to these notes. We realized a net cash gain of approximately \$128.0 million on the hedging transactions that will be recognized on a pro rata basis as a decrease to our reported interest expense over ten years. We used the proceeds of these offerings to fund acquisitions and earnout payments related to acquisitions and general corporate purposes.

On March 2, 2023, we closed and funded an offering of \$950.0 million of unsecured senior notes in two tranches. The \$350.0 million aggregate principal amount of 5.50% Senior Notes are due 2033 (which we refer to as the 2033 Notes) and \$600.0 million aggregate principal amount of 5.75% Senior Notes are due 2053 (which we refer to as the 2053 Notes). The weighted average interest rate is 5.05% per annum after giving effect to underwriting costs and a net hedge gain. During 2019 through 2022, we entered into a pre-issuance interest rate hedging transaction related to these notes. We realized a net cash gain of approximately \$112.7 million on the hedging transactions that will be recognized on a pro rata basis as a decrease to our reported interest expense over ten years. We used the proceeds of these offerings to fund acquisitions and earnout payments related to acquisitions and general corporate purposes.

Supplemental and contingent revenues - Reported supplemental and contingent revenues recognized in 2023 and 2022 by quarter are as follows (in millions):

	Q1	Q2	Q3	Q4	Full Year
2023					
Reported supplemental revenues	\$ 81.6	\$ 71.2	\$ 70.8	\$ 90.6	\$ 314.2
Reported contingent revenues	71.8	54.2	53.9	55.4	235.3
Reported supplemental and contingent revenues	<u>\$ 153.4</u>	<u>\$ 125.4</u>	<u>\$ 124.7</u>	<u>\$ 146.0</u>	<u>\$ 549.5</u>
2022					
Reported supplemental revenues	\$ 74.3	\$ 65.7	\$ 64.7	\$ 80.0	\$ 284.7
Reported contingent revenues	71.6	43.1	52.4	40.2	207.3
Reported supplemental and contingent revenues	<u>\$ 145.9</u>	<u>\$ 108.8</u>	<u>\$ 117.1</u>	<u>\$ 120.2</u>	<u>\$ 492.0</u>

Interest income, premium finance revenues and other income - This primarily represents interest income earned on cash, cash equivalents and fiduciary cash and revenues from premium financing, income from equity investments and net gains related to divestitures and sales of books of business.

Interest income, premium finance revenues and other income in 2023 increased compared to 2022 primarily due to increases in interest income earned on our own and fiduciary funds.

The following table provides a reconciliation of brokerage segment interest income, premium finance revenues and other income, as reported in our consolidated financial statements to interest income earned on cash, cash equivalents and fiduciary cash (in millions):

	2023	2022
Interest income, premium finance revenues and other income	\$ 337.7	\$ 147.5
Less:		
Net gains on divestitures	(9.6)	(12.1)
Premium financing revenues and net earnings from equity interests	(106.5)	(84.1)
Interest income from cash, cash equivalents and fiduciary cash	<u>\$ 221.6</u>	<u>\$ 51.3</u>

Compensation expense - The following provides non-GAAP information that management believes is helpful when comparing 2023 and 2022 compensation expense (in millions):

	2023	2022
Compensation expense, as reported	\$ 4,769.1	\$ 4,024.7
Acquisition integration	(146.6)	(107.4)
Workforce related charges	(56.0)	(36.9)
Acquisition related adjustments	(69.3)	(46.8)
Levelized foreign currency translation	—	(10.6)
Compensation expense, as adjusted	\$ 4,497.2	\$ 3,823.0
Reported compensation expense ratios	55.2%	55.1%
Adjusted compensation expense ratios	52.1%	52.6%
Reported revenues	\$ 8,637.2	\$ 7,303.8
Adjusted revenues - see page 36	\$ 8,627.6	\$ 7,266.6

The \$744.4 million increase in compensation expense in 2023 compared to 2022 was primarily due to base compensation related to the hiring of producers and other roles to service and support organic growth, benefits, stock compensation and other incentive compensation linked to operating results - \$341.2 million in the aggregate, compensation associated with the acquisitions completed in the twelve month period ended December 31, 2023 - \$322.4 million, increases in acquisition integration costs - \$39.2 million, acquisition earnout related adjustments - \$22.5 million and workforce related charges - \$19.1 million.

Operating expense - The following provides non-GAAP information that management believes is helpful when comparing 2023 and 2022 operating expense (in millions):

	2023	2022
Operating expense, as reported	\$ 1,272.3	\$ 1,039.9
Acquisition integration	(97.1)	(60.5)
Workforce and lease termination related charges	(7.4)	(12.0)
Levelized foreign currency translation	—	3.7
Operating expense, as adjusted	\$ 1,167.8	\$ 971.1
Reported operating expense ratios	14.7%	14.2%
Adjusted operating expense ratios	13.5%	13.4%
Reported revenues	\$ 8,637.2	\$ 7,303.8
Adjusted revenues - see page 36	\$ 8,627.6	\$ 7,266.6

The \$232.4 million increase in operating expense in 2023 compared to 2022, was primarily due to expenses associated with the acquisitions completed in the twelve-month period ended December 31, 2023 - \$91.2 million, acquisition integration costs - \$36.6 million, and an increase of \$104.6 million in the aggregate from the return of, and underlying inflation of, advertising, travel, entertainment and other client-related expenses, professional fees, business insurance and additional investments in technology.

Depreciation - The increase in depreciation expense in 2023 compared to 2022 was due primarily to the impact of purchases of furniture, equipment and leasehold improvements related to office consolidations and moves, and expenditures related to upgrading computer systems. Also contributing to the increases in depreciation expense in 2023 was the depreciation expense associated with acquisitions completed in 2023.

Amortization - The increase in amortization in 2023 compared to 2022 was primarily due to the impact of amortization expense of intangible assets associated with acquisitions completed in 2023 and 2022, partially offset by the impact of acquisition valuation true-ups recorded in 2023 relating to acquisitions made in 2022. Expiration lists, non-compete agreements and trade names are amortized using the straight-line method over their estimated useful lives (two to fifteen years for expiration lists, two to six years for non-compete agreements and two to fifteen years for trade names). Based on the results of impairment reviews performed on amortizable intangible assets in 2023 and 2022, we wrote off \$3.5 million and \$2.0 million, respectively, of amortizable intangible assets related to the brokerage segment. We review all of our intangible assets for impairment periodically (at least annually for goodwill) and whenever events or changes in business circumstances indicate that the carrying value of the assets may not be recoverable. We perform such impairment reviews at the division (i.e., reporting unit) level with respect to goodwill and at the business unit level for amortizable intangible assets. In reviewing intangible assets, if the

undiscounted future cash flows were less than the carrying amount of the respective (or underlying) asset, an indicator of impairment would exist and further analysis would be required to determine whether or not a loss would need to be charged against current period earnings as a component of amortization expense. We performed a qualitative impairment review on carrying value of our goodwill for all of our reporting units as of December 31, 2023 and no indicators of impairment were noted.

Change in estimated acquisition earnout payables - The change in the expense from the change in estimated acquisition earnout payables in 2023 compared to 2022 was due primarily to adjustments made to the estimated fair value of earnout obligations related to revised assumptions due to rising interest rates and increased market volatility and projections of future performance. During 2023 and 2022, we recognized \$76.1 million and \$60.2 million, respectively, of expense related to the accretion of the discount recorded for earnout obligations in connection with our acquisitions made from 2020 to 2023. During 2023 and 2022, we recognized \$300.7 million and \$30.2 million of expense, respectively, related to net adjustments in the estimated fair market values of earnout obligations in connection with revised projections of future performance for 80 and 86 acquisitions, respectively. The net adjustments in 2023, primarily include changes made to the estimated fair value of the Willis Re acquisition earnout and reflect updated assumptions as of December 31, 2023, including forecasted 2024 revenue projections based on January 1, 2024 reinsurance renewals.

The amounts initially recorded as earnout payables for our 2020 to 2023 acquisitions were measured at fair value as of the acquisition date and are primarily based upon the estimated future operating results of the acquired entities over a two- to three-year period subsequent to the acquisition date. The fair value of these earnout obligations is based on the present value of the expected future payments to be made to the sellers of the acquired entities in accordance with the provisions outlined in the respective purchase agreements. In determining fair value, we estimate the acquired entity's future performance using financial projections developed by management for the acquired entity and market participant assumptions that were derived for revenue growth and/or profitability. We estimate future earnout payments using the earnout formula and performance targets specified in each purchase agreement and these financial projections. Subsequent changes in the underlying financial projections or assumptions will cause the estimated earnout obligations to change and such adjustments are recorded in our consolidated statement of earnings when incurred. Increases in the earnout payable obligations will result in the recognition of expense and decreases in the earnout payable obligations will result in the recognition of income.

Provision for income taxes - The brokerage segment's effective tax rate in 2023 and 2022 was 25.6% and 24.7%, respectively. As of April 1, 2023, a U.K. corporate tax rate of 25% went into effect making the full year effective rate in the U.K. 23.5%. In the first quarter of 2022, we increased our state effective income tax rate, which resulted in the overall U.S. effective income tax rate increasing from 25% to 26% and caused us to incur additional income tax expense. We anticipate reporting an effective tax rate of approximately 24.5% to 26.5% in our brokerage segment based on known changes in tax rates in future periods.

Net earnings attributable to noncontrolling interests - The amounts reported in this line for 2023 and 2022 include noncontrolling interest earnings of \$6.3 million and \$4.4 million, respectively.

Litigation, Regulatory and Taxation Matters - We routinely are involved in legal proceedings, claims, disputes, regulatory matters and governmental inspections or investigations arising in the ordinary course of or incidental to our business, including relating to E&O claims and those noted below in this section. We record accruals in the consolidated financial statements for pending litigation when we determine that an unfavorable outcome is probable and the amount of the loss can be reasonably estimated. For the matters we disclose that do not include an estimate of the amount of loss or range of losses, such an estimate is not possible or is immaterial, and we may be unable to estimate the possible loss or range of losses that could potentially result from the application of non-monetary remedies, unless disclosed below. We currently believe that the ultimate outcome of these proceedings, individually and in the aggregate, will not materially harm our financial position, results of operations or cash flows. However, legal proceedings and government investigations are subject to inherent uncertainties, and unfavorable rulings or other events could occur, including the payment of substantial monetary damages or an injunction or other order prohibiting us from selling one or more products at all or in particular ways, precluding particular business practices or requiring other remedies, which may result in a material adverse impact on our business, results of operations or financial position.

During 2022, we received a subpoena from the FCPA Unit of the DOJ seeking information related to our insurance business with public entities in Ecuador. During the fourth quarter of 2023, the DOJ informed us that it had closed its inquiry and would not be pursuing enforcement action against us in connection with this matter.

As previously disclosed, our IRC 831(b) (or "micro-captive") advisory services business has been under audit by the IRS since 2013. Among other matters, the IRS is investigating whether we have been acting as a tax shelter promoter in connection with these operations. Additionally, the IRS is conducting a criminal investigation related to IRC 831(b) micro-captive underwriting

enterprises. We have been advised that we are not a target of the criminal investigation. We are fully cooperating with both matters.

Risk Management

The risk management segment accounted for 14% of our revenue in 2023. Our risk management segment operations provide contract claim settlement, claim administration, loss control services and risk management consulting for commercial, nonprofit, captive and public sector entities, and various other organizations that choose to self-insure property/casualty coverages or choose to use a third-party claims management organization rather than the claim services provided by underwriting enterprises. Revenues for our risk management segment are comprised of fees generally negotiated (i) on a per-claim or per-service basis, (ii) on a cost-plus basis, or (iii) as performance-based fees. We also provide risk management consulting services that are recognized as the services are delivered.

Financial information relating to our risk management segment results for 2023 and 2022 (in millions, except per share, percentages and workforce data):

Statement of Earnings	2023	2022	Change
Fees	\$ 1,259.7	\$ 1,090.8	\$ 168.9
Interest income and other income	27.9	1.8	26.1
Revenues before reimbursements	1,287.6	1,092.6	195.0
Reimbursements	145.4	130.5	14.9
Total revenues	1,433.0	1,223.1	209.9
Compensation	776.8	664.9	111.9
Operating	257.4	233.9	23.5
Reimbursements	145.4	130.5	14.9
Depreciation	35.9	37.8	(1.9)
Amortization	7.7	6.2	1.5
Change in estimated acquisition earnout payables	0.5	(7.4)	7.9
Total expenses	1,223.7	1,065.9	157.8
Earnings before income taxes	209.3	157.2	52.1
Provision for income taxes	55.3	41.4	13.9
Net earnings	154.0	115.8	38.2
Net earnings attributable to noncontrolling interests	—	—	—
Net earnings attributable to controlling interests	\$ 154.0	\$ 115.8	\$ 38.2
Diluted earnings per share	\$ 0.70	\$ 0.54	\$ 0.16
Other information			
Change in diluted earnings per share	30%	26%	
Growth in revenues (before reimbursements)	18%	13%	
Organic change in fees (before reimbursements)	16%	13%	
Compensation expense ratio (before reimbursements)	60%	60%	
Operating expense ratio (before reimbursements)	20%	21%	
Effective income tax rate	26%	26%	
Workforce at end of period (includes acquisitions)	9,747	8,430	
Identifiable assets at December 31	\$ 1,649.3	\$ 1,142.6	

The following provides non-GAAP information that management believes is helpful when comparing 2023 and 2022 EBITDAC and adjusted EBITDAC (in millions):

	2023	2022	Change
Net earnings, as reported	\$ 154.0	\$ 115.8	33.0%
Provision for income taxes	55.3	41.4	
Depreciation	35.9	37.8	
Amortization	7.7	6.2	
Change in estimated acquisition earnout payables	0.5	(7.4)	
Total EBITDAC	253.4	193.8	30.8%
Net gains on divestitures	(0.4)	(0.9)	
Acquisition integration	1.0	1.8	
Workforce and lease termination related charges	3.4	6.4	
Acquisition related adjustments	0.5	0.4	
Levelized foreign currency translation	—	(0.9)	
EBITDAC, as adjusted	\$ 257.9	\$ 200.6	28.6%
Net earnings margin, before reimbursements, as reported	12.0%	10.6%	+136 bpts
EBITDAC margin, before reimbursements, as adjusted	20.0%	18.5%	+158 bpts
Reported revenues before reimbursements	\$ 1,287.6	\$ 1,092.6	
Adjusted revenues - before reimbursements - see page 36	\$ 1,287.2	\$ 1,086.8	

Fees - In 2023, our risk management operations, new core workers' compensation and general liability claims arising improved from new clients coming on board in 2022 and 2023. We believe these favorable trends should continue for 2024, however, worsening economic conditions or a reversal in the number of workers employed, could cause fewer new liability and core workers' compensation claims to arise in future quarters. Organic change in fee revenues was 16% in 2023 and 13% in 2022.

Items excluded from organic fee computations yet impacting revenue comparisons in 2023 and 2022 include the following (in millions):

	Year Ended December 31,		
	2023	2022	Change
Fees	\$ 1,246.1	\$ 1,075.8	15.8%
International performance bonus fees	13.6	15.0	
Fees as reported	1,259.7	1,090.8	15.5%
Less fees from acquisitions	(5.5)	—	
Less divested operations	—	(3.2)	
Levelized foreign currency translation	—	(4.8)	
Organic fees	\$ 1,254.2	\$ 1,082.8	15.8%

Acquisition Activity

	2023	2022
Number of acquisitions closed	1	1
Estimated annualized revenues acquired (in millions)	\$ 59.1	\$ 2.5

On December 6, 2023, we acquired all of the issued and outstanding shares of My Plan Manager. See Note 3 to our 2023 consolidated financial statements for information on the purchase price consideration paid to acquire My Plan Manager. We funded the transaction using free cash flow and borrowings under our Credit Agreement (see Financing Cash Flow section below). The acquired My Plan Manager is the leading provider of plan management services to participants in Australia's National Disability Insurance Scheme.

Reimbursements - Reimbursements represent amounts received from clients reimbursing us for certain third-party costs associated with providing our claims management services. In certain service partner relationships, we are considered a principal because we direct the third party, control the specified service and combine the services provided into an integrated solution. Given this principal relationship, we are required to recognize revenue on a gross basis and service partner vendor fees in the operating expense line in our consolidated statement of earnings. The increase in reimbursements in 2023 compared to 2022 was primarily due to a change in business mix that is processed internally versus using outside service partners.

Interest income and other income - Interest income and other income primarily represents interest income earned on cash, cash equivalents and fiduciary cash. Interest income and other income in 2023 increased compared to 2022 primarily due to increases in interest rates earned on fiduciary cash.

Compensation expense - The following provides non-GAAP information that management believes is helpful when comparing 2023 and 2022 compensation expense compensation expense (in millions):

	2023	2022
Compensation expense, as reported	\$ 776.8	\$ 664.9
Acquisition integration	(1.0)	(0.3)
Workforce and lease termination related charges	(2.0)	(4.0)
Acquisition related adjustments	(0.5)	(0.4)
Levelized foreign currency translation	—	(3.3)
Compensation expense, as adjusted	<u>\$ 773.3</u>	<u>\$ 656.9</u>
Reported compensation expense ratios (before reimbursements)	<u>60.3%</u>	<u>60.9%</u>
Adjusted compensation expense ratios (before reimbursements)	<u>60.1%</u>	<u>60.4%</u>
Reported revenues (before reimbursements)	<u>\$ 1,287.6</u>	<u>\$ 1,092.6</u>
Adjusted revenues (before reimbursements) - see page 36	<u>\$ 1,287.2</u>	<u>\$ 1,086.8</u>

The \$111.9 million increase in compensation expense in 2023 compared to 2022 was primarily due to increased base compensation related to merit wage increases and hiring to support growth, benefits, and other incentive compensation linked to operating results - \$110.6 million in the aggregate. Also contributing to the increase was compensation associated with the acquisition completed in the twelve month period ended December 31, 2023 - \$2.6 million and acquisition integration costs - \$0.7 million, partially offset by reduced workforce related charges \$2.0 million.

Operating expense - The following provides non-GAAP information that management believes is helpful when comparing 2023 and 2022 operating expense operating expense (in millions):

	2023	2022
Operating expense, as reported	\$ 257.4	\$ 233.9
Workforce and lease termination related charges	(1.4)	(2.4)
Acquisition integration	—	(1.5)
Levelized foreign currency translation	—	(0.7)
Operating expense, as adjusted	<u>\$ 256.0</u>	<u>\$ 229.3</u>
Reported operating expense ratios (before reimbursements)	<u>20.0%</u>	<u>21.4%</u>
Adjusted operating expense ratios (before reimbursements)	<u>19.9%</u>	<u>21.1%</u>
Reported revenues (before reimbursements)	<u>\$ 1,287.6</u>	<u>\$ 1,092.6</u>
Adjusted revenues - (before reimbursements) see page 36	<u>\$ 1,287.2</u>	<u>\$ 1,086.8</u>

The \$23.5 million increase in operating expense in 2023 compared to 2022 was primarily due to the return of underlying inflation of, travel, entertainment and other client-related expenses and additional investments in technology - \$23.9 million in the aggregate. Also contributing to the increase was operating expenses associated with the acquisitions completed in the twelve month period ended December 31, 2023 - \$1.1 million, partially offset by reduced acquisition integration - \$1.5 million.

Depreciation - Depreciation expense decreased in 2023 compared to 2022, which reflects the impact of office consolidations that occurred as leases expired in 2023 and 2022 (less depreciation associated with furniture, equipment and leasehold improvements), partially offset by expenditures related to upgrading computer systems.

Amortization - Amortization expense increased in 2023 compared to 2022. The increase in amortization in 2023 compared to 2022 was primarily due to the impact of amortization expense of intangible assets associated with the acquisition completed in 2023. Based on the results of impairment reviews performed on amortizable intangible assets during 2023 and 2022, there were no impairments of amortizable assets related to the risk management segment.

Change in estimated acquisition earnout payables - The change in expense from the change in estimated acquisition earnout payables in 2023 compared to 2022, were due primarily to adjustments made in 2023 and 2022 to the estimated fair value of an earnout obligation related to revised projections of future performance. During 2023 and 2022, we recognized \$0.5 million and \$0.8 million, respectively, of expense related to the accretion of the discount recorded for earnout obligations in connection with our 2020 to 2023 acquisitions, respectively. During 2023, there were no net adjustments in the estimated fair value of earnout obligations related to projections of future performance for acquisitions. During 2022, we recognized \$8.2 million of income related to net adjustments in the estimated fair value of earnout obligations related to revised projections of future performance for three acquisitions.

Provision for income taxes - We allocate the provision for income taxes to the risk management segment using local statutory rates. As of April 1, 2023, a U.K. corporate tax rate of 25% went into effect, making the full year effective rate 23.5%. The risk management segment's effective tax rate in 2023 and 2022 was 26.4% and 26.3%, respectively. In first quarter of 2022, we increased our state effective income tax rate, which resulted in the overall U.S. effective income tax rate increasing from 25% to 26% and caused us to incur additional income tax expense. We anticipate reporting an effective tax rate on adjusted results of approximately 25.0% to 27.0% in our risk management segment based on known changes in tax rates in future periods.

Corporate

The corporate segment reports the financial information related to our clean energy and other investments, our debt, certain corporate and acquisition-related activities and the impact of foreign currency remeasurement. See Note 14 to our 2023 consolidated financial statements for a summary discussion of the nature of our investments at December 31, 2023 and 2022. See Note 8 to our 2023 consolidated financial statements for a summary of our debt at December 31, 2023 and 2022.

Financial information relating to our corporate segment results for 2023 and 2022 (in millions, except per share and percentages):

Statement of Earnings	2023	2022	Change
Revenues from consolidated clean coal facilities	\$ —	\$ 22.3	\$ (22.3)
Royalty income from clean coal licenses	—	0.7	(0.7)
Other income	1.7	0.7	1.0
Total revenues	1.7	23.7	(22.0)
Cost of revenues from consolidated clean coal facilities	—	22.9	(22.9)
Compensation	135.3	110.2	25.1
Operating	160.0	57.1	102.9
Interest	296.7	256.9	39.8
Depreciation	4.9	3.3	1.6
Total expenses	596.9	450.4	146.5
Loss before income taxes	(595.2)	(426.7)	(168.5)
Benefit for income taxes	(237.8)	(225.1)	(12.7)
Net loss	(357.4)	(201.6)	(155.8)
Net loss attributable to noncontrolling interests	(9.8)	(2.6)	(7.2)
Net loss attributable to controlling interests	\$ (347.6)	\$ (199.0)	\$ (148.6)
Diluted net loss per share	\$ (1.58)	\$ (0.93)	\$ (0.65)
Identifiable assets at December 31	\$ 2,520.4	\$ 2,540.8	
EBITDAC			
Net loss	\$ (357.4)	\$ (201.6)	\$ (155.8)
Benefit for income taxes	(237.8)	(225.1)	(12.7)
Interest	296.7	256.9	39.8
Depreciation	4.9	3.3	1.6
EBITDAC	\$ (293.6)	\$ (166.5)	\$ (127.1)

Revenues - Revenues in the corporate segment consist of the following:

- Even though the law governing IRC Section 45 tax credits expired as of December 31, 2021, we did have some production at our clean coal production plants in 2022 to run-off existing chemical supplies.
- The de minimis 2022 revenues from consolidated clean coal production plants represents revenues from the consolidated IRC Section 45 facilities in which we have a majority ownership position and maintain control over the operations at the related facilities.
- Royalty income from clean coal licenses represents revenues related to Chem-Mod LLC. We held a 46.5% controlling interest in Chem-Mod LLC. As Chem-Mod LLC's manager, we are required to consolidate its operations.
- The decrease in royalty income in 2023 compared to 2022 was due to the IRC Section 45 program expiring as of December 31, 2021.

Cost of revenues - Cost of revenues from consolidated clean coal production plants in 2022 consists of the cost of coal, labor, equipment maintenance, chemicals, supplies, management fees and depreciation incurred by the clean coal production plants to generate the consolidated revenues discussed above. Even though the law governing IRC Section 45 tax credits expired as of

December 31, 2021, we did have some production at our clean coal production plants in 2022 to run-off existing chemical supplies.

Compensation expense - Compensation expense for 2023 and 2022 includes salary, incentive compensation, and associated benefit expenses of \$135.3 million and \$110.2 million, respectively. The change in 2023 compensation expense compared to 2022 was primarily due to growth in base compensation and increased incentive compensation, as well as transaction-related costs as described on page 54 in note (2).

Operating expense - Operating expense for 2023 includes banking and related fees of \$3.1 million, external professional fees and other due diligence costs related to 2023 acquisitions of \$33.8 million, which includes \$17.6 million of transaction-related costs as described on page 54 in note (2), other corporate and clean energy related expenses, including litigation matters, technology and other professional fees - \$113.3 million in aggregate, and a net unrealized foreign exchange remeasurement loss of \$9.8 million.

Operating expense for 2022 includes banking and related fees of \$2.5 million, external professional fees and other due diligence costs related to 2022 acquisitions of \$40.8 million, which includes specific transaction-related costs as described on page 54 in note (2), other corporate and clean energy related expenses of \$44.4 million, including legal fees, and costs associated with the idling of the IRC Section 45 program and a net unrealized foreign exchange remeasurement gain of \$30.6 million.

Interest expense - The increase in interest expense in 2023 compared to 2022 was due to the following (in millions):

Change in interest expense related to:	2023 / 2022
Interest on borrowings from our Credit Agreement	\$ 7.3
Interest on the maturity of the Series G notes	(3.3)
Interest on the maturity of the Series E notes	(2.5)
Interest on the maturity of the Series K and L notes	(4.1)
Interest on the \$500.0 million notes funded on June 13, 2018	0.1
Interest on the \$950.0 million senior notes funded on March 2, 2023	45.4
Interest on the \$1,000.0 million senior notes funded on November 2, 2023	11.0
Amortization of hedge gains	(14.1)
Net change in interest expense	\$ 39.8

Depreciation - Depreciation expense in 2023 increased compared to 2022, due to capital improvements made at our corporate headquarters and Gallagher Centers of Excellence in 2023 and 2022 and to the acquisition of other corporate related fixed assets in 2023.

Net losses attributable to noncontrolling interests - The amounts reported in this line for 2023 and 2022 primarily include noncontrolling interest losses of \$(9.8) million and \$(2.6) million, respectively, related to our investment in Chem-Mod LLC. As of December 31, 2023 and 2022, we held a 46.5% controlling interest in Chem-Mod LLC. Also, included in net earnings attributable to noncontrolling interests are offsetting amounts related to non-Gallagher owned interests in several clean energy investments.

Benefit for income taxes - We allocate the provision for income taxes to the brokerage and risk management segments using local statutory rates. The law that provides for IRC Section 45 tax credits expired in December 2021 for 21 of our 2011 Era Plants. Our consolidated effective tax rate was 18.5% and 15.9%, for 2023 and 2022, respectively. The tax rate for 2023 was lower than the statutory rate primarily due to the income tax benefit of stock-based awards, revaluation of deferred tax assets in Bermuda to the new 15% corporate tax rate as well as updates to the U.S. tax attributes associated with the U.K. loss deferral reported on the 2022 tax return. As of April 1, 2023, a U.K. corporate tax rate of 25% went into effect, making the full year effective rate in the U.K. 23.5%. The tax rate for 2022 was lower than the statutory rate primarily due to the state tax benefits of legal entity restructuring, the revaluation of state deferred tax assets to a higher effective tax rate, as well as the establishment of new deferred tax assets related to U.K. loss deferral. There were no IRC Section 45 tax credits produced in 2023 and 2022. In 2023, we recognized an unfavorable U.K. tax impact related to earnout liability adjustments. In the first quarter of 2022, we increased our state effective income tax rate, which resulted in the overall U.S. effective income tax rate increasing from 25% to 26%, and caused us to incur additional income tax benefit during the quarter and recognize a one-time benefit related to the revaluation of certain deferred income tax assets. In 2022, we recognized a one-time U.S. state tax benefit that resulted from legal entity restructuring and an unfavorable U.K. tax impact related to earnout liability adjustments. In late 2022, when it

became clear the new U.K. Prime Minister was not going to reverse a previously-enacted corporate tax rate increase, we recognized a one-time benefit associated with the deferral of U.K. tax losses to a future year. The income tax benefit of stock based awards that vested or were settled in the years ended December 31, 2023 and 2022 was \$76.1 million and \$59.3 million, respectively.

Litigation Matters - In July 2019, Midwest Energy filed a patent infringement lawsuit in the United States District Court for the District of Delaware against us, Chem-Mod LLC and numerous other related and unrelated parties. The complaint alleged that the named defendants infringed patents held exclusively by Midwest Energy and sought unspecified damages and injunctive relief. During the fourth quarter of 2023, we settled this matter for an amount that was not material and without admitting any wrongdoing.

Significant Future Income Tax Law Changes - On December 27th, 2023, Bermuda introduced a new corporate income tax that applies to Bermuda businesses that are part of multinational enterprise groups with annual revenues of EUR\$750.0 million, taking effect in January 2025. We have adjusted our Bermuda tax deferred items to account for this rate increase. In 2022, the U.S. enacted the IRA and the Creating Helpful Incentives to Produce Semiconductors (which we refer to as CHIPS) and Science Act of 2022. We do not anticipate any significant impacts from either law change. See more discussions of those provisions below.

In October 2021, the OECD announced that 136 countries and tax jurisdictions agreed to implement a new Pillar 2 approach to international taxation. The first detailed draft rules under that approach were published in December 2021. The U.K. and the majority of the EU have adopted some aspects of these rules. Other countries in which we have significant operations, including Australia and Canada, have announced an intention to adopt it or started the process of doing so. The new approach came into effect in 2023 in certain jurisdictions, and different countries have implemented the necessary rules in different ways, through their individual agreement to tax treaty changes and through changes to their own domestic tax laws. Pillar 1 exempts regulated financial institutions and we believe we qualify for such exemption. Pillar 2 will establish a global minimum tax rate of 15%, such that multinational enterprises with an effective tax rate in a jurisdiction below this minimum rate will need to pay additional tax, which could be collected by the parent company's tax authorities if that parent country adopts Pillar 2 or by those in other countries, depending on whether and how each country implements the OECD's approach in its tax treaties and domestic tax legislation. Depending on how the jurisdictions in which we operate, and those in which we and our subsidiaries are based, choose to implement the OECD's approach in their tax treaties and domestic tax laws, particularly if the U.S. does not adopt Pillar 2, we could be adversely affected due to our income being taxed at higher effective rates, once these new rules come into force.

U.S. Federal Income Tax Law Changes Items Impacting the Company Going Forward

Alternative Minimum Tax Credit - The IRA enacted a book-based Corporate Alternative Minimum Tax (which we refer to as CAMT) for years beginning after 2022. The CAMT imposes a minimum 15% cash tax on adjusted book income before general business credits. As such, we do not currently anticipate being subject to the CAMT and even if we were to find ourselves subject to it in a particular year, we do not believe there would be an impact on our earnings.

Excise Tax On Stock Buybacks - The IRA adds a 1% surtax to corporate stock repurchases effective January 2023. Our board approved a common stock repurchase program in 2021. If we were to effectuate stock repurchases under this program, the excise tax would not have a material impact on our results of operations or cash flows.

New Tax Credits for Renewable Energy - The IRA introduced new tax credits for certain renewable energy projects and onshoring certain manufacturing activities associated with those projects. While we continue to explore additional renewable energy investments, we do not currently anticipate significant benefits from these new incentive programs.

The following provides non-GAAP information that we believe is helpful when comparing 2023 and 2022 operating results for the corporate segment (in millions):

	2023			2022		
	Pretax Loss	Income Tax Benefit	Net Earnings (Loss) Attributable to Controlling Interests	Pretax Loss	Income Tax Benefit	Net Earnings (Loss) Attributable to Controlling Interests
Components of Corporate Segment, as reported						
Interest and banking costs	\$ (299.8)	\$ 78.0	\$ (221.8)	\$ (259.4)	\$ 67.3	\$ (192.1)
Clean energy related (1)	(15.5)	4.0	(11.5)	(12.6)	3.4	(9.2)
Acquisition costs (2)	(42.1)	6.4	(35.7)	(44.9)	3.7	(41.2)
Corporate (3) (4)	(228.0)	149.4	(78.6)	(107.2)	150.7	43.5
Reported Year Ended	(585.4)	237.8	(347.6)	(424.1)	225.1	(199.0)
Adjustments						
Clean energy related	4.4	(1.1)	3.3	—	—	—
Transaction-related costs (2)	22.6	(4.9)	17.7	33.4	(2.7)	30.7
Legal and tax related (3)	48.0	(21.8)	26.2	(5.0)	(45.2)	(50.2)
Components of Corporate Segment, as adjusted						
Interest and banking costs	(299.8)	78.0	(221.8)	(259.4)	67.3	(192.1)
Clean energy related (1)	(11.1)	2.9	(8.2)	(12.6)	3.4	(9.2)
Acquisition costs	(19.5)	1.5	(18.0)	(11.5)	1.0	(10.5)
Corporate (4)	(180.0)	127.6	(52.4)	(112.2)	105.5	(6.7)
Adjusted Year Ended	\$ (510.4)	\$ 210.0	\$ (300.4)	\$ (395.7)	\$ 177.2	\$ (218.5)

- (1) Pretax losses for the years ended December 31, 2023 and 2022 are presented net of amounts attributable to noncontrolling interests of \$(9.8) million and \$(2.6) million, respectively.
- (2) We incurred transaction-related costs, which include legal, consulting, employee compensation and other professional fees primarily associated with our acquisition of Willis Re (primarily related to deferred closings in certain jurisdictions in 2022), the acquisition of Buck, which was signed on December 20, 2022 and closed on April 3, 2023, and the acquisitions of Cadence Insurance, Eastern Insurance and My Plan Manager, all of which closed in fourth quarter 2023.
- (3) Adjustments in fourth quarter 2022 include costs associated with legal and tax matters as well as the impact of tax planning items associated with 2022 tax returns filed in fourth quarter 2023. Adjustments in fourth quarter 2022 include (a) additional U.K. income tax expense related to the non-deductibility of acquisition-related adjustments made in the quarter, (b) gains and costs associated with legal and tax matters, (c) income tax provision adjustments as filed in our 2021 tax returns and (d) income tax benefit related to adjusting certain U.K. deferred income tax assets to the future 25% corporate income tax rate.
- (4) Corporate pretax loss includes a net unrealized foreign exchange remeasurement loss of \$(9.8) million and a net unrealized foreign exchange remeasurement gain of \$30.6 million in the year ended December 31, 2022.

Interest and banking costs and debt - Interest and banking costs includes expenses related to our debt.

Clean energy related - For 2023, this consists of operating results related to our investments in new clean energy projects and the wind up of our investment in clean coal production plants. Prior to 2023, this consisted of the operating results related to our investments in clean coal production plants and royalty income from clean coal licenses related to Chem-Mod- LLC. The production of IRC Section 45 clean energy tax credits ceased in December 2021, which reduced the royalty income received by Chem-Mod LLC and net earnings generated by our investments in clean coal production plants in 2022. Even though the law governing IRC Section 45 tax credits expired as of December 31, 2021, we did have some production at our clean coal production plants in the three-month period ended March 31, 2022 to run-off existing chemical supplies.

Acquisition costs - Consists mostly of external professional fees and other due diligence costs related to acquisitions. On occasion, we enter into forward currency hedges for the purchase price of committed, but not yet funded, acquisitions with funding requirements in currencies other than the U.S. dollar. The gains or losses, if any, associated with these hedge transactions are also included.

Corporate - Consists of overhead allocations mostly related to corporate staff compensation, other corporate level activities, and net unrealized foreign exchange remeasurement. In addition, corporate includes the tax expense related to partial taxation of foreign earnings, nondeductible executive compensation and entertainment expenses, the tax benefit from vesting of employee equity awards, as well as other permanent or discrete tax items not reflected in the provision for income taxes in the brokerage and risk management segments. The income tax benefit of stock based awards that vested or were settled in the years ended December 31, 2023 and 2022 was \$76.1 million and \$59.3 million, respectively, and is included in the table above in the Corporate line.

Clean Energy Investments - We have investments in limited liability companies that own or have owned 29 clean coal production plants developed by us and six clean coal production plants we purchased from a third party. All 35 plants produced refined coal using propriety technologies owned by Chem-Mod LLC. We believe that the production and sale of refined coal at these plants prior to 2022 were qualified to receive refined coal tax credits under IRC Section 45. The 14 2009 Era Plants received tax credits through 2019 and the 21 2011 Era Plants received tax credits through 2021.

Our investment in Chem-Mod LLC prior to 2022 generated royalty income from refined coal production plants owned by those limited liability companies in which we invested as well as refined coal production plants owned by other unrelated parties.

See the risk factors regarding our IRC Section 45 investments under Item 1A, "Risk Factors," for a more detailed discussion of these and other factors could impact the information above. See Note 14 to our 2023 consolidated financial statements for more information regarding risks and uncertainties related to these investments.

Liquidity and Capital Resources

Liquidity describes the ability of a company to generate sufficient cash flows to meet the cash requirements of its business operations. The insurance brokerage and risk management industries are not capital intensive. Historically, our capital requirements have primarily included dividend payments on our common stock, repurchases of our common stock, funding of our investments, acquisitions of brokerage and risk management operations and capital expenditures, including investments being made in IT and software development projects.

On December 6, 2023, we acquired all of the issued and outstanding shares of My Plan Manager. See Note 3 to our 2023 consolidated financial statements for information on the purchase price consideration paid to acquire My Plan Manager. We funded the transaction using free cash flow and funds received from an unsecured senior notes offering. The acquired My Plan Manager is the leading provider of plan management services to participants in Australia's National Disability Insurance Scheme.

On November 30, 2023, we acquired all the issued and outstanding shares of Cadence Insurance. See Note 3 to our 2023 consolidated financial statements for information on the purchase price consideration paid to acquire Cadence Insurance. We funded the transaction using free cash flow and funds received from an unsecured senior notes offering. The acquired Cadence Insurance business offers a full suite of commercial property/casualty, employee benefits and personal lines products to clients from 34 offices spanning nine states across the Southeast, including Texas.

On October 31, 2023, we acquired the net assets of Eastern Insurance. See Note 3 to our 2023 consolidated financial statements for information on the purchase price consideration paid to acquire Eastern Insurance. We funded the transaction using free cash flow and funds received from an unsecured senior notes offering. The acquired Eastern Insurance business offers comprehensive commercial property/casualty and personal lines products as well as employee benefits consulting to clients throughout the Northeastern U.S.

On April 3, 2023, we acquired the partnership interests of Buck. See Note 3 to our 2023 consolidated financial statements for information on the purchase price consideration paid to acquire Buck. We funded the transaction using free cash flow and funds received from an unsecured senior notes offering. The acquired Buck business is a leading provider of retirement, human resources and employee benefits consulting and administration services. Total expected expense to integrate Buck into our operations is approximately \$125.0 million.

On December 1, 2021, we acquired substantially all of the Willis Re for an initial gross consideration of \$3.17 billion, and potential additional consideration of \$750 million subject to certain third-year revenue targets. We funded the transaction using cash on hand, including the \$1.4 billion of net cash raised in our May 17, 2021 follow-on common stock offering, \$850 million of net cash borrowed in our May 20, 2021 30-year senior note issuance, \$750 million of net cash borrowed in our November 9, 2021 10-year (\$400 million) and 30-year (\$350 million) senior note issuances and short-term borrowings.

Operating Cash Flows

Historically, we have depended on our ability to generate positive cash flow from operations to meet a substantial portion of our cash requirements. We believe that our cash flows from operations and borrowings under our Credit Agreement (as defined below) will provide us with adequate resources to meet our liquidity needs in the foreseeable future. To fund acquisitions made during 2023 and 2022, we relied on a combination of net cash flows from operations, proceeds from borrowings under our Credit Agreement, proceeds from issuances of senior unsecured notes and issuance of our common stock.

Cash provided by operating activities was \$2,031.7 million and \$1,390.0 million for 2023 and 2022, respectively. The increase in cash provided by operating activities during 2023 compared to the same period in 2022 was primarily due to growth in our core broking and risk management operations, timing differences between periods with cash receipts and disbursements related to other current assets and current liabilities compared to 2022, and the collection of refined coal production related receivables due to the wind up of clean coal operations and the cash benefit related to the utilization of IRC Section 45 tax credits that occurred in 2022. During the three-month period ended March 31, 2022, we collected \$71.1 million of clean coal production related receivables and made \$84.8 million in payments for clean coal production related payables that were accrued in our December 31, 2021 consolidated balance sheet. With respect to the 2022 provision for deferred income taxes, the decrease in the deferred tax asset for the utilization of IRC Section 45 tax credits was offset by the increase in deferred tax assets related to capitalized indirect property costs and U.K. net operating loss carryforwards.

The 2023 income taxes paid amounts were favorably impacted compared to 2022 due to the reversal of the tax method changes on our 2022 tax return filed in the fourth quarter of 2023. Also in 2022, we elected to defer the utilization of 2022 net operating losses in the U.K. causing additional cash tax payments of \$49.0 million relating to 2022. The U.K. payments would have been made in future periods, and do not represent additional taxes due.

During 2023 and 2022, employee matching contributions to the 401(k) plan of \$73.8 million and \$65.7 million, respectively, relating to 2022 and 2021 were funded using common stock.

Our cash flows from operating activities are primarily derived from our earnings from operations, as adjusted, for our non-cash expenses, which include depreciation, amortization, change in estimated acquisition earnout payables, deferred compensation, restricted stock, and stock-based and other non-cash compensation expenses. Historically, cash provided by operating activities was unfavorably impacted if the amount of IRC Section 45 tax credits generated (which is the amount we recognized for financial reporting purposes) was greater than the amount of tax credits utilized to reduce our tax cash obligations. Excess tax credits produced in 2021 and 2020 resulted in an increase to our deferred tax assets, which was a net use of cash related to operating activities. In 2023, IRC Section 45 credits were no longer generated due to the IRC Section 45 program expiring as of December 31, 2021, and therefore the IRC Section 45 credit utilization against our cash tax obligation resulted in favorable cash flow in 2023. Please see "Clean energy investments" below for more information on their potential future impact on cash provided by operating activities.

When assessing our overall liquidity, we believe that the focus should be on net earnings as reported in our consolidated statement of earnings, adjusted for non-cash items (i.e., EBITDAC), and cash provided by operating activities in our consolidated statement of cash flows. Consolidated EBITDAC was \$2,555.6 million and \$2,266.5 million for 2023 and 2022, respectively. Net earnings attributable to controlling interests were \$969.5 million and \$1,114.2 million for 2023 and 2022, respectively. We believe that EBITDAC items are indicators of trends in liquidity.

Change in Presentation of Fiduciary Assets and Liabilities in First Quarter 2023

In first quarter 2023, we changed the presentation of certain amounts and classifications in our consolidated balance sheet and statement of cash flows to identify and present fiduciary assets and liabilities and respective changes of these accounts in the balance sheet and statement of cash flows. These revisions also better reflect the cash flows associated with our operations. Lines for accounts receivable, fiduciary assets and fiduciary liabilities were added and lines for restricted cash, premiums and fees receivable and premiums payable to underwriting enterprises were removed. In addition to these changes, we moved the net change in fiduciary assets and liabilities from the operating section to the financing section of the statement of cash flows. We made the applicable revisions to the December 31, 2022 balance sheet and statement of cash flow for the year ended December 31, 2022 and 2021 to conform to the current period presentation. These changes had no impact on the 2022 and 2021 consolidated statement of earnings or December 31, 2022 and 2021 stockholders' equity. See Note 5 to our 2023 consolidated financial statements for an additional discussion of the change in presentation of fiduciary assets and liabilities.

Defined Benefit Pension Plan

Our policy for funding our defined benefit pension plan is to contribute amounts at least sufficient to meet the minimum funding requirements under the IRC. The Employee Retirement Security Act of 1974, as amended (which we refer to as ERISA), could impose a minimum funding requirement for our plan. We were not required to make any minimum contributions to the plan for the 2023 and 2022 plan years. Funding requirements are based on the plan being frozen and the aggregate amount of our historical funding. The plan's actuaries determine contribution rates based on our funding practices and requirements. Funding amounts may be influenced by future asset performance, the level of discount rates and other variables impacting the assets and/or liabilities of the plan. In addition, amounts funded in the future, to the extent not due under regulatory requirements, may be affected by alternative uses of our cash flows, including dividends, acquisitions and common stock repurchases. During 2023 and 2022 we did not make discretionary contributions to the plan.

See Note 13 to our 2023 consolidated financial statements for additional information required to be disclosed relating to our defined benefit pension plan. We are required to recognize an accrued benefit plan liability for our underfunded defined benefit pension plan (which we refer to together as the Plan). The offsetting adjustment to the liabilities required to be recognized for the Plan is recorded in "Accumulated Other Comprehensive Loss," net of tax, in our consolidated balance sheet. We will recognize subsequent changes in the funded status of the Plans through the income statement and as a component of comprehensive earnings, as appropriate, in the year in which they occur. Numerous items may lead to a change in funded status of the Plan, including actual results differing from prior estimates and assumptions, as well as changes in assumptions to reflect information available at the respective measurement dates.

The net change in the funded status of the Plan in 2023 resulted in an increase in noncurrent assets in 2023 of \$12.3 million. In 2023, the funded status of the Plan was unfavorably impacted by a decrease in the discount rates used in the measurement of the pension liabilities at December 31, 2023 and other assumption changes, the net impact of which was approximately \$8.6 million. In addition, the funded status was favorably impacted by returns on the plan's assets being significantly higher in 2023 than anticipated by approximately \$20.9 million. In 2022, the funded status of the Plan was favorably impacted by an increase in the discount rates used in the measurement of the pension liabilities at December 31, 2022 and other assumption changes, the net impact of which was approximately \$70.5 million. In addition, the funded status was unfavorably impacted by returns on the plan's assets being significantly lower in 2022 than anticipated by approximately \$(72.8) million (negative return). The net change in the funded status of the Plan in 2022 resulted in a decrease in noncurrent assets in 2022 of \$2.3 million. While the change in the funded status of the Plan had no direct impact on our cash flows from operations in 2023 and 2022, potential changes in the pension regulatory environment and investment losses in our pension plan have an effect on our capital position and could require us to make significant contributions to our defined benefit pension plan and increase our pension expense in future periods.

Investing Cash Flows

Capital Expenditures - Capital expenditures were \$193.6 million and \$182.7 million for 2023 and 2022, respectively. In 2023 and 2022 capital expenditures include amounts incurred related to office moves, investments made in IT and software development projects. Relating to the development of our corporate headquarters, we received property tax related credits under a tax-increment financing note from Rolling Meadows, Illinois and an Illinois state EDGE tax credit. Incentives from these two programs could total between \$50.0 million and \$80.0 million over a fifteen-year period. In 2024, we expect total expenditures for capital improvements to be approximately \$175.0 million, part of which is related to expenditures on office moves and investments being made in IT and software development projects. The decrease in the expected capital expenditures in 2024 compared to 2023 is primarily due to lower integration related expenditures.

Acquisitions - Cash paid for acquisitions, net of cash and restricted cash acquired, was \$3,041.9 million and \$764.9 million in 2023 and 2022, respectively. The increased use of cash for acquisitions in 2023 compared to 2022 was primarily due to our acquisition of Buck, Eastern Insurance, Cadence Insurance and My Plan Manager. In addition, during 2023 and 2022 we issued 2.5 million shares (\$525.8 million) and 0.9 million shares (\$164.6 million), respectively, of our common stock as payment for a portion of the total consideration paid for acquisitions and earnout payments. We completed 51 and 37 acquisitions in 2023 and 2022, respectively. Annualized revenues of businesses acquired in 2023 and 2022 totaled approximately \$885.1 million and \$246.5 million, respectively. In 2024, we expect to use new debt, our Credit Agreement (as defined below), cash from operations and our common stock, or a combination thereof to fund all of the acquisitions we complete.

In order to maintain leverage ratios and investment grade credit ratings or if liquidity concerns arise, we may be more likely to use common stock to fund acquisitions.

Dispositions - During 2023 and 2022, we sold several books of business and recognized one-time gains of \$10.0 million and \$13.0 million, respectively. We received cash proceeds of \$9.9 million and \$11.0 million for 2023 and 2022, respectively, related to these transactions.

Clean Energy Investments - During the period from 2009 through 2021, we made significant investments in clean energy operations capable of producing refined coal that we believe qualified for tax credits under IRC Section 45. The IRC Section 45 tax credits generate positive cash flow by reducing the amount of federal income taxes we pay. We anticipate positive net cash flow related to IRC Section 45 activity in 2024. However, there are several variables that can impact net cash flow from clean energy investments in any given year. Therefore, accurately predicting cash in particular future periods is not possible at this time. However, if we continue to generate sufficient taxable income to use the tax credits produced by our IRC Section 45 investments, we anticipate that these investments will continue to generate positive net cash flows due to the utilization of IRC Section 45 tax credits to offset taxable income in years after the program expired. In October 2023, we filed our 2022 federal income tax return and elected to discontinue a tax method change. This resulted in the addback of tax credits that were not

utilized on the tax return by approximately \$157.0 million, which was recorded in the fourth quarter 2023. Amended tax returns in the fourth quarter 2023 and closed tax years accounted for the addback of unutilized tax credits of \$6.6 million of IRC Section 45 tax credits. In October 2022, we filed our 2021 federal tax return and elected to continue a tax method change in that return. This resulted in an acceleration of the amount of tax credits that we utilized on the return by approximately \$150.0 million, which was recorded in fourth quarter 2022. We also amended our 2014 and 2015 federal tax returns in the fourth quarter of 2022, which resulted in a refund of \$3.7 million of IRC Section 45 tax credits. While we cannot precisely forecast the cash flow impact in any particular period, we anticipate that the net cash flow impact of IRC Section 45 activity will be positive overall. Please see "Clean energy investments" on page 54 for a more detailed description of these investments and their risks and uncertainties.

Financing Cash Flows

At December 31, 2023, we had \$3,550.0 million of Senior Notes, \$3,948.0 million of corporate-related borrowings outstanding under separate note purchase agreements entered into during the period from 2014 to 2021, \$245.0 million of borrowings outstanding under our Credit Agreement, \$289.0 million outstanding under our Premium Financing Debt Facility and a cash and cash equivalent balance of \$971.6 million. See Note 8 to our 2023 consolidated financial statements for a discussion of the terms of the Senior Notes, Note purchase agreements, the Credit Agreement (as defined below) and the Premium Financing Debt Facility.

Consistent with past practice, as of December 31, 2023 we had pre-issuance hedges open for \$150.0 million for 2024. During the three months ended December 31, 2023, we settled approximately \$128.0 million of interest rate contracts hedges with a notional value of \$900.0 million that will be amortized into interest expense in future periods.

The Senior Notes, Note Purchase Agreements, the Credit Agreement and the Premium Financing Debt Facility contain various financial covenants that require us to maintain specified financial ratios. We were in compliance with these covenants as of December 31, 2023.

Senior Notes - On November 2, 2023, we closed and funded an offering of \$1,000.0 million of unsecured senior notes in two tranches. The \$400.0 million aggregate principal amount of 6.50% Senior Notes are due 2034 (which we refer to as the 2034 Notes) and \$600.0 million aggregate principal amount of 6.75% Senior Notes are due 2054 (which we refer to as the 2054 Notes). The weighted average interest rate is 5.97% per annum after giving effect to underwriting costs and a net hedge gain. During 2021 through 2023, we entered into a pre-issuance interest rate hedging transaction related to these notes. We realized a net cash gain of approximately \$128.0 million on the hedging transactions that will be recognized on a pro rata basis as a decrease to our reported interest expense over ten years. We used the proceeds of these offerings to fund acquisitions, earnout payments related to acquisitions and general corporate purposes.

On March 2, 2023, we closed and funded an offering of \$950.0 million of unsecured senior notes in two tranches. The \$350.0 million aggregate principal amount of 5.50% Senior Notes are due 2033 (which we refer to as the 2033 Notes) and \$600.0 million aggregate principal amount of 5.75% Senior Notes are due 2053 (which we refer to as the 2053 Notes). The weighted average interest rate is 5.05% per annum after giving effect to underwriting costs and a net hedge gain. During 2019 through 2022, we entered into a pre-issuance interest rate hedging transaction related to these notes. We realized a net cash gain of approximately \$112.7 million on the hedging transactions that will be recognized on a pro rata basis as a decrease to our reported interest expense over ten years. We used the proceeds of these offerings to fund acquisitions, earnout payments related to acquisitions and general corporate purposes.

On November 9, 2021, we closed and funded an offering of \$750.0 million of unsecured senior notes in two tranches. The \$400.0 million aggregate principal amount of 2.40% Senior Notes are due 2031 (which we refer to as the 2031 November Notes) and \$350.0 million aggregate principal amount of 3.05% Senior Notes are due 2052 (which we refer to as the 2052 November Notes and together with the 2031 November Notes, the November Notes). The weighted average interest rate is 2.80% per annum after giving effect to underwriting costs. The November Notes were issued pursuant to an indenture, dated as of May 20, 2021, as modified and supplemented in respect of the November Notes by an Officer's Certificate pursuant to the indenture, dated as of November 9, 2021. The relevant terms of the November Notes, the indenture and the Officer's Certificate are further described under the caption "Description of Notes" in the prospectus supplement filed with the SEC on November 3, 2021. We used the net proceeds of the November Notes offering to fund a portion of the cash consideration payable in connection with the Willis Re transaction.

On May 20, 2021, we closed and funded an offering of \$1,500.0 million of unsecured senior notes in two tranches. The \$650.0 million aggregate principal amount of 2.50% Senior Notes were due 2031 (which we refer to as the 2031 May Notes) and \$850.0 million aggregate principal amount of 3.50% Senior Notes are due 2051 (which we refer to as the 2051 May Notes and

together with the 2031 May Notes, the May Notes). The weighted average interest rate is 3.13% per annum after giving effect to underwriting costs and the net hedge loss. In 2018 and 2019, we entered into a pre-issuance interest rate hedging transaction related to these notes. We realized a net cash loss of approximately \$57.8 million on the hedging transactions that will be recognized on a pro rata basis as an increase to our reported interest expense over ten years.

The offering of the May Notes was made pursuant to a shelf registration statement filed with the SEC. The relevant terms of the May Notes, the Indenture and the Officer's Certificate are further described under the caption "Description of Notes" in the prospectus supplement dated May 13, 2021, filed with the SEC on May 17, 2021.

The 2031 May Notes had a special optional redemption whereby, we had the option to redeem the 2031 May Notes, in whole and not in part, by providing notice of such redemption to the holders of the 2031 May Notes within 30 days following a Willis Re transaction termination event, at a redemption price equal to 101% of the aggregate principal amount of the 2031 May Notes, plus any accrued and unpaid interest. These notes were redeemed on August 13, 2021. As a result of the redemption of this debt, we incurred a loss on extinguishment of debt of \$16.2 million, which included the redemption price premium of \$6.5 million, which is presented in cash flows from financing activities, and the unamortized discount amount on the debt issuance and the write-off of all the debt acquisition costs of \$9.7 million, which is presented in cash flows from operating activities. The 2051 May Notes are not subject to the special optional redemption. We used the net proceeds of the 2051 May Notes offering to fund a portion of the cash consideration payable in connection with the Willis Re transaction.

Note Purchase Agreement - During June 2023, we used operating cash to fund the \$200.0 million Series N note maturity that had a fixed rate of 4.13% that was due June 24, 2023.

During June 2023, we used operating cash to fund the prepayment of the \$50.0 million Series CC note floating rate of 90 day LIBOR plus 1.40%, balloon that was originally due on June 13, 2024.

During February 2023, we used operating cash to fund the \$50.0 million Series E note maturity that had a fixed rate of 5.49% that was due February 10, 2023.

On May 5, 2021, we closed and funded a private placement of \$75.0 million aggregate principal amount of unsecured senior notes. The unsecured senior notes were issued with an interest rate of 2.46% and are due in 2036. We used the proceeds of this offering in part to fund acquisitions and general corporate purposes. The weighted average interest rate is 3.98% after giving effect to a net hedging loss. In 2018, we entered into a pre-issuance interest rate hedging transaction related to this private placement. We realized a net cash loss of approximately \$17.2 million on the hedging transactions that will be recognized on a pro rata basis as an increase in our reported interest expense over ten years of the total 15-year notes.

On February 10, 2021, we closed a private placement of \$100.0 million aggregate principal amount of unsecured senior notes. The unsecured senior notes were issued with an interest rate of 2.44% and are due in 2036. We used the proceeds of these offerings in part to fund the \$75.0 million February 10, 2021 Series D note maturity, and for acquisitions and general corporate purposes. The weighted average interest rate is 3.97% after giving effect to a net hedging loss. In 2018, we entered into a pre-issuance interest rate hedging transaction related to this private placement. We realized a net cash loss of approximately \$22.9 million on the hedging transactions that will be recognized on a pro rata basis as an increase in our reported interest expense over ten years of the total 15-year notes.

Credit Agreement - On June 22, 2023, we entered into the new Credit Agreement (which we refer to as the Credit Agreement) with an administrative agent and a group of other lenders. The Credit Agreement provides for a five-year unsecured revolving credit facility in the amount of \$1,200.0 million (including a \$75.0 million letter of credit sub-facility), which is also available in Pounds Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars, Euros, Japanese Yen and any other currencies agreed by the lenders. On November 7, 2023, we entered into the First Amendment to the Credit Agreement, pursuant to which we increased the commitments under the Credit Agreement to \$1,700.0 million. The Credit Agreement permits us to designate wholly-owned subsidiaries located in certain jurisdictions as additional borrowers, the obligations of which under the Credit Agreement will be guaranteed by the Company, subject to the terms and conditions set forth in the Credit Agreement. Any subsidiary that guarantees any notes under the Company's existing note purchase agreements is required to guarantee the obligations under the Credit Agreement. There are currently no subsidiary borrowers or guarantors under the Credit Agreement.

Loans borrowed under the Credit Agreement bear interest at a variable annual rate based on a customary benchmark rate for each available currency including Secured Overnight Financing Rate (which we refer to as SOFR) for loans in U.S. Dollars, or at our election solely for loans in U.S. Dollars, the base rate, plus in each case an applicable margin. Interest rates on base rate loans and outstanding drawings on letters of credit under the Credit Agreement will be based on the Base Rate, as defined in the Credit Agreement, plus a margin of 0.00% to 0.375%, depending on the rating of our long-term senior unsecured debt. Interest rates for SOFR loans and loans in currencies other than U.S. dollars under the Credit Agreement will be based on, as applicable, a SOFR

Daily Floating Rate, Term SOFR, Alternative Currency Daily Rate or Alternative Currency Term Rate, as defined in the Credit Agreement, plus a margin of 0.775% to 1.375%, depending on the rating of our long-term senior unsecured debt. The annual facility fee related to the Credit Agreement is between 0.100% and 0.250% of the revolving credit commitment, depending on the rating of our long-term senior unsecured debt. Subject to certain conditions stated in the Credit Agreement, we may borrow, prepay and reborrow amounts under the Credit Agreement at any time during the term of the Credit Agreement. Funds borrowed under the Credit Agreement may be used for general corporate and working capital purposes of the Company and its subsidiaries.

The Credit Agreement also contains customary representations and warranties and affirmative and negative covenants, including financial covenants, as well as customary events of default, with corresponding grace periods, including, without limitation, payment defaults, cross-defaults to other agreements evidencing indebtedness and bankruptcy-related defaults. We were in compliance with these covenants as of December 31, 2023.

Concurrently, on June 22, 2023, we paid off and terminated all of our obligations under the Second Amended and Restated Multicurrency Credit Agreement, dated as of June 7, 2019.

There were \$245.0 million of borrowings outstanding under the Credit Agreement at December 31, 2023. Due to the outstanding borrowing and letters of credit, \$1,443.4 million remained available for potential borrowings under the Credit Agreement at December 31, 2023.

We use the Credit Agreement to post letters of credit and to borrow funds to supplement our operating cash flows from time to time. During 2023, we borrowed an aggregate of \$3,795.0 million and repaid \$3,610.0 million under our Credit Agreement and under the Second Amended and Restated Multicurrency Credit Agreement. During 2022, we borrowed an aggregate of \$2,570.0 million and repaid \$2,555.0 million under the Amended (and Second Amended) and Restated Multicurrency Credit Agreement which was terminated on June 22, 2023. Principal uses of the 2023 and 2022 borrowings under the Credit Agreement were to fund acquisitions, earnout payments related to acquisitions and general corporate purposes.

Premium Financing Debt Facility - On October 31, 2023, we entered into an amendment to our revolving loan facility (which we refer to as the Premium Financing Debt Facility) that provides funding for the three Australian (AU) and New Zealand (NZ) premium finance subsidiaries. The Premium Financing Debt Facility is comprised of: (i) Facility B is separated into AU\$390.0 million and NZ\$25.0 million tranches (the NZ\$ tranche will be decreased as of May 1, 2024 to NZ\$10.0 million), (ii) Facility C, an AU\$60.0 million equivalent multi-currency overdraft tranche and (iii) Facility D, a NZ\$15.0 million equivalent multi-currency overdraft tranche.

The interest rates on Facility B are Interbank rates, which vary by tranche, duration and currency, plus a margin of 1.500% and 1.850% for the AU\$ and NZ\$ tranches, respectively. The interest rates on Facilities C and D are 30 day Interbank rates, plus a margin of 0.830% and 0.990% for the AU\$ and NZ\$ tranches, respectively. The annual fee for Facility B is 0.675% and 0.8325% for the undrawn commitments for the AU\$ and NZ\$ tranches, respectively. The annual fee for Facility C is 0.77% and for Facility D is 0.90% of the total commitments of the facilities.

The terms of our Premium Financing Debt Facility include various financial covenants, including covenants that require us to maintain specified financial ratios. We were in compliance with these covenants as of December 31, 2023. The Premium Financing Debt Facility also includes customary provisions for transactions of this type, including events of default, with corresponding grace periods and cross-defaults to other agreements evidencing our indebtedness. Facilities B, C and D are secured by the premium finance receivables of the Australian and New Zealand premium finance subsidiaries.

At December 31, 2023, AU\$365.0 million and NZ\$0.0 million of borrowings were outstanding under Facility B, AU\$45.9 million of borrowings outstanding under Facility C and NZ\$13.7 million of borrowings were outstanding under Facility D, which in aggregate amount to US\$289.0 million of borrowings outstanding under the Premium Financing Debt Facility. Accordingly, as of December 31, 2023, AU\$25.0 million and NZ\$25.0 million remained available for potential borrowing under Facility B, and AU\$14.1 million and NZ\$1.3 million under Facilities C and D, respectively.

Dividends - Our board of directors determines our dividend policy. Our board of directors determines dividends on our common stock on a quarterly basis after considering our available cash from earnings, our anticipated cash needs and current conditions in the economy and financial markets.

In 2023, we declared \$478.8 million in cash dividends on our common stock, or \$2.20 per common share. On December 15, 2023, we paid a fourth quarter dividend of \$0.55 per common share to shareholders of record as of December 1, 2023. On January 24, 2024, we announced a quarterly dividend for first quarter 2024 of \$0.60 per common share. If the dividend is maintained at \$0.60 per common share throughout 2024, this dividend level would result in an annualized net cash used by

financing activities in 2024 of approximately \$519.8 million (based on the outstanding shares as of December 31, 2023), or an anticipated increase in cash used of approximately \$46.2 million compared to 2023. We can make no assurances regarding the amount of any future dividend payments.

Shelf Registration Statement - On March 8, 2021 we filed a shelf registration statement on Form S-3 with the SEC, registering the offer and sale from time to time, of an indeterminate amount of debt securities, guarantees, common stock, preferred stock, warrants, depository shares, purchase contracts, or units. The availability of the potential liquidity under this shelf registration statement depends on investor demand, market conditions and other factors. We make no assurances regarding when, or if, we will issue any securities under this registration statement. On November 15, 2022, we filed a second shelf registration statement on Form S-4 with the SEC, registering 7.0 million shares of our common stock that we may offer and issue from time to time in connection with future acquisitions of other businesses, assets or securities. At December 31, 2023, 6.2 million shares remained available for issuance under this registration statement.

Common Stock Repurchases - We have in place a common stock repurchase plan approved by our board of directors in July 2021 that authorizes the repurchase of up to \$1.5 billion of common stock. During the years ended December 31, 2023 and 2022, we did not repurchase shares of our common stock. The plan authorizes the repurchase of our common stock at such times and prices, as we may deem advantageous, in transactions on the open market or in privately negotiated transactions. We are under no commitment or obligation to repurchase any particular number of shares, and the plan may be suspended at any time at our discretion. Funding for share repurchases may come from a variety of sources, including cash from operations, short-term or long-term borrowings under our Credit Agreement or other sources.

Public Offering of Common Stock - On May 12, 2021, we entered into an Underwriting Agreement with Morgan Stanley & Co. LLC to issue 9.0 million shares of our common stock in a public offering. On May 12, 2021, we agreed to price the offering of 9.0 million shares of our common stock at \$142.00 and granted the underwriters in the offering a 30-day option to purchase up to an additional 1.3 million shares of our common stock at the same price. On May 12, 2021, the underwriters exercised the option to purchase an additional 1.3 million shares. The offering closed on May 17, 2021 and 10.3 million shares of our common stock were issued for net proceeds, after underwriting discounts and other expenses related to this offering, of \$1,437.9 million. We used the net proceeds of this offering related to the 2051 Notes to fund a portion of the cash consideration payable in connection with the Willis Re transaction.

At-the-Market Equity Program - On November 15, 2022, we entered into an Equity Distribution Agreement with Morgan Stanley & Co. LLC, pursuant to which we may offer and sell, from time to time, up to 3,000,000 shares of our common stock through Morgan Stanley as sales agent. We intend to use the net proceeds of sales under this program to fund future acquisitions from time to time or for general corporate purposes. Pursuant to the agreement, shares may be sold by means of ordinary brokers' transactions, including on the New York Stock Exchange, at market prices prevailing at the time of sale, at prices related to the prevailing market prices, or at negotiated prices, in block transactions, or as otherwise agreed upon by us and Morgan Stanley. During the quarter ended December 31, 2023, we did not sell shares of our common stock under the program.

Common Stock Issuances - Another source of liquidity to us is the issuance of our common stock pursuant to our stock option and employee stock purchase plans. Proceeds from the issuance of common stock under these plans were \$120.2 million in 2023 and \$123.1 million in 2022. On May 10, 2022, our stockholders approved the 2022 Long-Term Incentive Plan (which we refer to as the LTIP), which replaced our previous stockholder-approved 2017 Long-Term Incentive Plan. All of our officers, employees and non-employee directors are eligible to receive awards under the LTIP. Awards which may be granted under the LTIP include non-qualified and incentive stock options, stock appreciation rights, restricted stock units and performance units, any or all of which may be made contingent upon the achievement of performance criteria. Stock options with respect to 12.2 million shares (less any shares of restricted stock issued under the LTIP - 2.8 million shares of our common stock were available for this purpose as of December 31, 2023) were available for grant under the LTIP at December 31, 2023. Our employee stock purchase plan allows our employees to purchase our common stock at 95% of its fair market value. Proceeds from the issuance of our common stock related to these plans have contributed favorably to net cash provided by financing activities in the years ended December 31, 2023 and 2022, and we believe this favorable trend will continue in the foreseeable future.

We have a qualified contributory savings and thrift 401(k) plan covering the majority of our domestic employees. For eligible employees who have met the plan's age and service requirements to receive matching contributions, we historically have matched 100% of pre-tax and Roth elective deferrals up to a maximum of 5.0% of eligible compensation, subject to federal limits on plan contributions and not in excess of the maximum amount deductible for federal income tax purposes. Beginning with the match paid in 2021, the amount matched by the company will be discretionary and annually determined by management. Employees must be employed and eligible for the plan on the last day of the plan year to receive a matching

contribution, subject to certain exceptions enumerated in the plan document. Matching contributions are subject to a five-year graduated vesting schedule and can be funded in cash or company stock. We expensed (net of plan forfeitures) \$86.0 million and \$73.8 million related to the plan in 2023 and 2022, respectively. During 2022, our board of directors authorized the 5.0% employer matching contributions on eligible compensation to the 401(k) plan for the 2022 plan year to be funded with our common stock, which was funded in February 2023. During 2023, our board of directors authorized the 5.0% employer matching contributions on eligible compensation to the 401(k) plan for the 2023 plan year to be funded with our common stock, which is expected to be funded in February 2024.

Other Liquidity Matters

Letters of Credit and Other Guarantees

We have entered into a number of arrangements whereby our performance on certain obligations is guaranteed by a third party through the issuance of a letter of credit. We had total letters of credit outstanding of \$21.2 million at December 31, 2023 and \$13.0 million at December 31, 2022. These letters of credit secure our self-insurance deductibles on our own insurance programs, allow certain of our captive operations to meet minimum statutory surplus requirements, lease security deposits and collateral related to premium and claim funds held in a fiduciary capacity. See Note 17 to our 2023 consolidated financial statements for additional discussion of these obligations and commitments.

Earnout Obligations

Substantially all of the purchase agreements related to the acquisitions we do contain provisions for potential earnout obligations. For all of our acquisitions made in the period from 2020 to 2023 that contain potential earnout obligations, such obligations are measured at fair value as of the acquisition date and are included on that basis in the recorded purchase price consideration for the respective acquisition. The amounts recorded as earnout payables are primarily based upon estimated future potential operating results of the acquired entities over a two- to three-year period subsequent to the acquisition date. The aggregate amount of the maximum earnout obligations related to these acquisitions was \$2,009.8 million, of which \$1,294.2 million was recorded in our consolidated balance sheet as of December 31, 2023 based on the estimated fair value of the expected future payments to be made, of which approximately \$564.8 million can be settled in cash or stock at our option and \$729.4 million must be settled in cash.

Apart from commitments, guarantees, and contingencies, as disclosed herein and in Note 17 to our 2023 consolidated financial statements, we had no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on our financial condition, results of operations or liquidity. Our cash flows from operations, borrowing availability and overall liquidity are subject to risks and uncertainties. See “Information Concerning Forward-Looking Statements” at the beginning of this report.

Contractual Obligations

Our contractual obligations and commitments as of December 31, 2023 are comprised of principal payments on debt, interest payments on debt, operating leases, pension benefit plan and purchase obligations.

Operating leases are primarily comprised of leased office space throughout the world. As leases expire, we do not anticipate difficulty in negotiating renewals or finding other satisfactory space if the premise becomes unavailable. In certain circumstances, we may have unused space and may seek to sublet such space to third parties, depending upon the demands for office space in the locations involved. See Note 15 to our 2023 consolidated financial statements for additional discussion of these operating lease obligations.

Defined benefit pension plan obligations include estimates of our minimum funding requirements pursuant to the Employee Retirement Income Security Act and other regulations. We may make additional discretionary contributions. See Note 13 to our 2023 consolidated financial statements for additional information required to be disclosed relating to our defined benefit pension plan.

Purchase obligations are defined as agreements to purchase goods and services that are enforceable and legally binding on us, and that specifies all significant terms, including the goods to be purchased or services to be rendered, the price at which the goods or services are to be rendered, and the timing of the transactions. Most of our purchase obligations are related to purchases of information technology services, marketing arrangements or other service contracts. We had no other cash requirements from known contractual obligations and commitments that have, or are reasonably likely to have, a current or

future material effect on the Company's financial condition, results of operations, or liquidity. See Note 17 to our 2023 consolidated financial statements for additional discussion of these contractual obligations.

Outlook - We believe that we have sufficient capital and access to additional capital to meet our short- and long-term cash flow needs.

Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with U.S. GAAP, which require management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. These accounting principles require us to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenues and expenses, and the disclosure of contingent assets and liabilities at the date of our consolidated financial statements. We periodically evaluate our estimates and assumptions, including those relating to the valuation of goodwill and other intangible assets, right-of-use assets, investments (including our IRC Section 45 investments), income taxes, revenue recognition, deferred costs, stock-based compensation, claims handling obligations, retirement plans, litigation and contingencies. We base our estimates on historical experience and various assumptions that we believe to be reasonable based on specific circumstances. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein. We believe the following significant accounting estimates may involve a higher degree of judgment and complexity. See Note 1 to our 2023 consolidated financial statements for other significant accounting policies. See Note 2 to our 2023 consolidated financial statements for a discussion of recently issued accounting pronouncements and their impact or potential future impact on the our financial results, if determinable.

Revenue Recognition

Description

The primary source of revenues for our brokerage services is commissions from underwriting enterprises, based on a percentage of premiums paid by our clients, or fees received from clients based on an agreed level of service usually in lieu of commissions. These commissions and fees revenues are substantially recognized at a point in time on the effective date of the associated policies when control of the policy transfers to the client, as well as deferring certain revenues to reflect delivery of services over the contract period. Whether we are paid a commission or a fee, the vast majority of our services are associated with the placement of an insurance (or insurance-like) contract. Accordingly, we recognize approximately 80% of our commission and fee revenues on the effective date of the underlying insurance contract. The amount of revenue we recognize is based on our costs to provide our services up and through that effective date, including an appropriate estimate of our profit margin on a portfolio basis. Based on the proportion of additional services we provide in each period after the effective date of the insurance contract, including an appropriate estimate of our profit margin, we recognize approximately 15% of our commission and fee revenues in the first three months, and the remaining 5% thereafter.

For supplemental revenues certain underwriting enterprises may pay us additional revenues for the volume of premium placed with them and for insights into our sales pipeline, our sales capabilities or our risk selection knowledge. These amounts are in excess of the commission and fee revenues discussed above, and not all business we place with underwriting enterprises is eligible for supplemental revenues. Unlike contingent revenues, discussed below, these revenues are primarily a fixed amount or fixed percentage of premium of the underlying eligible insurance contracts. For supplemental revenue contracts based on a fixed percentage of premium, our obligation to the underwriting enterprise is substantially completed upon the effective date of the underlying insurance contract and revenue is fully earned at that time. For supplemental revenue contracts based on a fixed amount, revenue is recognized ratably over the contract period consistent with the performance of our obligations, almost always over an annual term.

For contingent revenues certain underwriting enterprises may pay us additional revenues for our sales capabilities, our risk selection knowledge, or our administrative efficiencies. These amounts are in excess of the commission or fee revenues discussed above, and not all business we place with participating underwriting enterprises is eligible for contingent revenues. Unlike supplemental revenues, also discussed above, these revenues are variable, generally based on growth, the loss experience of the underlying insurance contracts, and/or our efficiency in processing the business. We generally operate under calendar year contracts, but we do not receive these revenues from the underwriting enterprises until the following calendar year, generally in the first and second quarters, after verification of the performance indicators outlined in the contracts. Accordingly, during each reporting period, we must make our best estimate of amounts we have earned using historical averages and other factors to project such revenues.

See Revenue Recognition and Contracts with Customers in Notes 1 and 4 to our 2023 consolidated financial statements.

Judgments and Uncertainties

For commissions and fees, these periods may be different than the underlying premium payment patterns of the insurance contracts, but the vast majority of our services are fully provided within one year of the insurance contract effective date. For supplemental and contingent commissions, we base our estimates each period on a contract-by-contract basis where available. In certain cases, it is impractical to assess a very large number of smaller contingent revenue contracts, so we use a historical portfolio estimate in aggregate. Because our expectation of the ultimate contingent revenue amounts to be earned can vary from period to period, especially in contracts sensitive to loss ratios, our estimates might change significantly from quarter to quarter. For example, in circumstances where our revenues are dependent on a full calendar year loss ratio, adverse loss experience in the fourth quarter could not only negate revenue earnings in the fourth quarter, but also trigger the need to reverse revenues previously recognized during the prior quarters. Variable consideration is recognized when we conclude, based on all the facts and information available at the reporting date, that it is probable that a significant revenue reversal will not occur in future periods.

Effect if Actual Results Differ From Assumptions

We do not believe there is a reasonable likelihood there will be a material change in the estimates or assumptions used to recognize revenue. As noted above, estimates are made based on historical experience and other factors. The vast majority of our brokerage contracts and service understandings are for a period of one year or less, and historically, the difference between actual experience compared to estimated performance has not been significant to the quarterly or annual financial statements. We have not made any material changes in the accounting methodology used to recognize revenue during the past three fiscal years.

Income Taxes

Description

We estimate total income tax expense based on statutory tax rates and tax planning opportunities available to us in various jurisdictions in which we earn income. Income tax includes an estimate for withholding taxes on earnings of foreign subsidiaries expected to be remitted to the U.S. but does not include an estimate for taxes on earnings considered to be indefinitely invested in the foreign subsidiary. Deferred income taxes are recognized for the future tax effects of temporary differences between financial and income tax reporting using tax rates in effect for the years in which the differences are expected to reverse. Valuation allowances are recorded when it is likely a tax benefit will not be realized for a deferred tax asset. We record unrecognized tax benefit liabilities for known or anticipated tax issues based on our analysis of whether, and the extent to which, additional taxes will be due. See Income Taxes in Notes 1 and 19 to our 2023 consolidated financial statements.

Judgments and Uncertainties

Changes in projected future earnings could affect the recorded valuation allowances in the future. Our calculations related to income taxes contain uncertainties due to judgment used to calculate tax liabilities in the application of complex tax regulations across the tax jurisdictions where we operate. Our analysis of unrecognized tax benefits contains uncertainties based on judgment used to apply the more likely than not recognition and measurement thresholds.

Effect if Actual Results Differ From Assumptions

Changes in tax laws and rates could affect recorded deferred tax assets and liabilities in the future. Other than those potential impacts, we do not believe there is a reasonable likelihood there will be a material change in the tax related balances or valuation allowances. However, due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from the current estimate of the tax liabilities. To the extent we prevail in matters for which unrecognized tax benefit liabilities have been established, or are required to pay amounts in excess of our recorded unrecognized tax benefit liabilities, our effective tax rate in a given financial statement period could be materially affected. An unfavorable tax settlement would require use of our cash and generally result in an increase in our effective tax rate in the period of resolution. A favorable tax settlement would generally be recognized as a reduction in our effective tax rate in the period of resolution.

Impairment of Goodwill

Description

Goodwill is evaluated for impairment by first performing a qualitative assessment to determine whether a quantitative goodwill test is necessary. If it is determined, based on qualitative factors, the fair value of the reporting unit may be more likely than not less than its carrying amount or if significant changes to macro-economic factors related to the reporting unit have occurred that could materially impact fair value, a quantitative goodwill impairment test would be required. The quantitative test compares the fair value of a reporting unit with its carrying amount. Additionally, we can elect to forgo the qualitative assessment and perform the quantitative test. Upon performing the quantitative test, if the carrying value of the reporting unit exceeds its fair value, an impairment loss is recognized in an amount equal to that excess, not to exceed the carrying amount of goodwill. We have elected to make the first day of the fourth quarter the annual impairment assessment date for goodwill. However, we could

be required to evaluate the recoverability of goodwill outside of the required annual assessment if, among other things, we experience disruptions to the business, unexpected significant declines in operating results, divestiture of a significant component of the business or a sustained decline in market capitalization.

Judgments and Uncertainties

We estimate the fair value of our reporting units considering the use of various valuation techniques, with the primary technique being an income approach (discounted cash flow method) and another technique being a market approach (guideline public company method), which use significant unobservable inputs, or Level 3 inputs, as defined by the fair value hierarchy. We include assumptions about revenue growth, operating margins, discount rates and valuation multiples which consider our budgets, business plans, economic projections and marketplace data, and are believed to reflect market participant views which would exist in an exit transaction. Assumptions are also made for varying perpetual growth rates for periods beyond the long-term business plan period. Generally, we utilize operating margin assumptions based on future expectations, operating margins historically realized in the reporting units' industries and industry marketplace valuation multiples. See Intangible Assets in Notes 1 and 7 to our 2023 consolidated financial statements.

Our impairment analysis contains uncertainties due to uncontrollable events that could positively or negatively impact the anticipated future economic and operating conditions.

Effect if Actual Results Differ From Assumptions

We have not made material changes in the accounting methodology used to evaluate impairment of goodwill during the last three years. During fiscal 2023, 2022 and 2021, all of our material reporting units passed the impairment analysis.

Some of the inherent estimates and assumptions used in determining fair value of the reporting units and indefinite life intangible assets are outside the control of management, including interest rates, cost of capital, tax rates, market EBITDAC comparables and credit ratings. While we believe we have made reasonable estimates and assumptions to calculate the fair value of the reporting units and indefinite life intangibles, it is possible a material change could occur. If our actual results are not consistent with our estimates and assumptions used to calculate fair value, it could result in material impairments of our goodwill.

Impairment of Amortizable Intangible Assets

Description

Amortizable intangible assets are evaluated for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. Examples include a significant adverse change in the extent or manner in which we use the asset, a change in its physical condition, or an unexpected change in financial performance.

When evaluating amortizable intangible assets for impairment, we compare the carrying value of the asset to the asset's estimated undiscounted future cash flows. An impairment is indicated if the estimated future cash flows are less than the carrying value of the asset. The impairment is the excess of the carrying value over the fair value of the asset.

We recorded impairment charges related to amortizable intangible assets of \$3.5 million, \$2.0 million, and \$17.6 million in 2023, 2022 and 2021, respectively. See Intangible Assets in Notes 1 and 7 to our 2023 consolidated financial statements.

Judgments and Uncertainties

Our impairment analysis contains uncertainties due to judgment in assumptions, including useful lives and intended use of assets, observable market valuations, forecasted revenue growth, operating margins and discount rates based on budgets, business plans, economic projections, anticipated future cash flows and marketplace data that reflects the risk inherent in future cash flows to determine fair value.

Effect if Actual Results Differ From Assumptions

We have not made any material changes in the accounting methodology used to evaluate the impairment of amortizable intangible assets during the last three fiscal years. We do not believe there is a reasonable likelihood there will be a material change in the estimates or assumptions used to calculate impairments or useful lives of amortizable intangible assets. However, if actual results are not consistent with our estimates and assumptions used to calculate estimated future cash flows, we may be exposed to impairment losses that could be material.

Earnout Obligations

Description

Substantially all of the purchase agreements related to the acquisitions we do contain provisions for potential earnout obligations. The amounts recorded as earnout payables, which are primarily based upon the terms of the purchase agreements and the estimated future operating results of the acquired entities over a two- to three-year period subsequent to the acquisition date, are measured at fair value as of the acquisition date and are included on that basis in the recorded purchase price consideration. We will record subsequent changes in these estimated earnout obligations, including the accretion of discount, in our consolidated statement of earnings when incurred.

Judgments and Uncertainties

The fair value of these earnout obligations is based on the present value of the expected future payments to be made to the sellers of the acquired entities in accordance with the provisions outlined in the respective purchase agreements, which is a Level 3 fair value measurement. In determining fair value, we estimate the acquired entity's future performance using financial projections developed by management for the acquired entity and market participant assumptions that were derived for revenue growth and/or profitability. Revenue growth rates generally ranged from 5.0% to 20.0% for our 2023 acquisitions. We estimated future payments using the earnout formula and performance targets specified in each purchase agreement and the financial projections just described. We then discounted these payments to present value using a risk-adjusted rate that takes into consideration market based rates of return that reflect the ability of the acquired entity to achieve the targets. The discount rates generally ranged from 6.7% to 9.6% for our 2023 acquisitions.

Effect if Actual Results Differ From Assumptions

While management believes those expectations and assumptions are reasonable, they are inherently uncertain. Changes in financial projections, market participant assumptions for revenue growth and/or profitability, or the risk-adjusted discount rate, would result in a change in the fair value of recorded earnout obligations. See Note 3 to our 2023 consolidated financial statements for additional discussion on our 2023 business combinations.

Business Combinations

Description

We account for acquired businesses using the acquisition method of accounting, which requires that once control of a business is obtained, 100% of the assets acquired and liabilities assumed, including amounts attributed to noncontrolling interests, be recorded at the date of acquisition at their respective fair values. Any excess of the purchase price over the estimated fair values of the net assets acquired is recorded as goodwill.

We use various models to determine the value of assets acquired and liabilities assumed such as discounted cash flow to value amortizable intangible assets.

For significant acquisitions we may use independent third-party valuation specialists to assist us in determining the fair value of assets acquired and liabilities assumed. See Note 3 to our 2023 consolidated financial statements for additional discussion on our 2023 business combinations.

Judgments and Uncertainties

Significant judgment is often required in estimating the fair value of assets acquired and liabilities assumed, particularly intangible assets. We make estimates and assumptions about projected future cash flows including sales growth, operating margins, attrition rates, and discount rates based on historical results, business plans, expected synergies, perceived risk and marketplace data considering the perspective of marketplace participants.

Determining the useful life of an intangible asset also requires judgment as different types of intangible assets will have different useful lives.

Effect if Actual Results Differ From Assumptions

While management believes those expectations and assumptions are reasonable, they are inherently uncertain. Unanticipated market or macroeconomic events and circumstances may occur, which could affect the accuracy or validity of the estimates and assumptions, which could result in subsequent impairments.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

We are exposed to various market risks in our day to day operations. Market risk is the potential loss arising from adverse changes in market rates and prices, such as interest and foreign currency exchange rates and equity prices. The following analyses present the hypothetical loss in fair value of the financial instruments held by us at December 31, 2023 that are sensitive to changes in interest rates. The range of changes in interest rates used in the analyses reflects our view of changes that are

reasonably possible over a one-year period. This discussion of market risks related to our consolidated balance sheet includes estimates of future economic environments caused by changes in market risks. The effect of actual changes in these market risk factors may differ materially from our estimates. In the ordinary course of business, we also face risks that are either nonfinancial or unquantifiable, including credit risk and legal risk. These risks are not included in the following analyses.

Our invested assets are primarily held as cash and cash equivalents, which are subject to various market risk exposures such as interest rate risk. The fair value of our portfolio of cash and cash equivalents as of December 31, 2023 approximated its carrying value due to its short-term duration. We estimated market risk as the potential decrease in fair value resulting from a hypothetical one-percentage point increase in interest rates for the instruments contained in the cash and cash equivalents investment portfolio. The resulting fair values were not materially different from their carrying values at December 31, 2023.

As of December 31, 2023, we had \$7,498.0 million of borrowings outstanding under our various senior notes and note purchase agreements. The aggregate estimated fair value of these borrowings at December 31, 2023 was \$6,840.2 million due to the long-term duration and fixed interest rates associated with these debt obligations. No active or observable market exists for our private placement long-term debt. Therefore, the estimated fair value of this debt is based on the income valuation approach, which is a valuation technique that converts future amounts (for example, cash flows or income and expenses) to a single current (that is, discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts. Because our debt issuances generate a measurable income stream for each lender, the income approach was deemed to be an appropriate methodology for valuing the private placement long-term debt. The methodology used calculated the original deal spread at the time of each debt issuance, which was equal to the difference between the yield of each issuance (the coupon rate) and the equivalent benchmark treasury yield at that time. The market spread as of the valuation date was calculated, which is equal to the difference between an index for investment grade insurers and the equivalent benchmark treasury yield today. An implied premium or discount to the par value of each debt issuance based on the difference between the origination deal spread and market as of the valuation date was then calculated. The index we relied on to represent investment graded insurers was the Bloomberg Valuation Services (BVAL) U.S. Insurers BBB index. This index is comprised primarily of insurance brokerage firms and was representative of the industry in which we operate. For the purpose of our analysis, the average BBB rate was assumed to be the appropriate borrowing rate for us.

We estimated market risk as the potential impact on the value of the debt recorded in our consolidated balance sheet based on a hypothetical one-percentage point change in our weighted average borrowing rate as of December 31, 2023. A one-percentage point decrease would result in an estimated fair value of \$7,420.6 million, or \$77.4 million less than their current carrying value. A one-percentage point increase would result in an estimated fair value of \$6,340.6 million, or \$1,157.4 million less than their current carrying value.

As of December 31, 2023, we had \$245.0 million of borrowings outstanding under our Credit Agreement and \$289.0 million of borrowings outstanding under our Premium Financing Debt Facility. The fair value of these borrowings approximate their carrying value due to their short-term duration and variable interest rates associated with these debt obligations. Market risk is estimated as the potential increase in fair value resulting from a hypothetical one-percentage point decrease in our weighted average short-term borrowing rate at December 31, 2023 and the resulting fair values are not materially different from their carrying value.

We are subject to foreign currency exchange rate risk primarily from one of our larger U.K. based brokerage subsidiaries that incurs expenses denominated primarily in British pounds while receiving a substantial portion of its revenues in U.S. dollars. In addition, we are subject to foreign currency exchange rate risk from our Australian, Canadian, Indian, Jamaican, New Zealand, Norwegian, Singaporean and various Caribbean and Latin American operations because we transact business in their local denominated currencies. Foreign currency gains (losses) related to this market risk are recorded in earnings before income taxes as transactions occur. Assuming a hypothetical adverse change of 10% in the average foreign currency exchange rate for 2023 (a weakening of the U.S. dollar), earnings before income taxes would have increased by approximately \$22.6 million. Assuming a hypothetical favorable change of 10% in the average foreign currency exchange rate for 2023 (a strengthening of the U.S. dollar), earnings before income taxes would have decreased by approximately \$45.4 million. We are also subject to foreign currency exchange rate risk associated with the translation of local currencies of our foreign subsidiaries into U.S. dollars. We manage the balance sheets of our foreign subsidiaries, where practical, such that foreign liabilities are matched with equal foreign assets, maintaining a “balanced book” which minimizes the effects of currency fluctuations. However, our consolidated financial position is exposed to foreign currency exchange risk related to intra-entity loans between our U.S. based subsidiaries and our non-U.S. based subsidiaries that are denominated in the respective local foreign currency. A transaction that is in a foreign currency is first remeasured at the entity’s functional (local) currency, where applicable, (which is an adjustment to consolidated earnings) and then translated to the reporting (U.S. dollar) currency (which is an adjustment to consolidated stockholders’ equity) for consolidated reporting purposes. If the transaction is already denominated in the foreign entity’s functional currency, only the translation to U.S. dollar reporting is necessary. The remeasurement process required by U.S. GAAP for such foreign currency loan transactions will give rise to a consolidated unrealized foreign exchange gain or loss, which could be material, that is recorded in accumulated other comprehensive loss.

Historically, we have not entered into derivatives or other similar financial instruments for trading or speculative purposes. However, with respect to managing foreign currency exchange rate risk in India, Norway and the U.K., we have periodically purchased financial instruments to minimize our exposure to this risk. During 2023, 2022 and 2021, we had several monthly put/call options in place with an external financial institution that were designed to hedge a significant portion of our future Norway and the U.K. currency revenues through various future payment dates. In addition, during 2023, 2022 and 2021, we had several monthly put/call options in place with an external financial institution that were designed to hedge a significant portion of our Indian currency disbursements through various future payment dates. Although these hedging strategies were designed to protect us against significant India, Norway and the U.K. currency exchange rate movements, we are still exposed to some foreign currency exchange rate risk for the portion of the payments and currency exchange rate that are unhedged. All of these hedges are accounted for in accordance with ASC Topic 815, "Derivatives and Hedging", and periodically are tested for effectiveness in accordance with such guidance. In the scenario where such hedge does not pass the effectiveness test, the hedge will be re-measured at the stated point and the appropriate loss, if applicable, would be recognized. For the year ended December 31, 2023 there has been no such effect on our consolidated financial presentation. The impact of these hedging strategies was not material to our consolidated financial statements for 2023, 2022 and 2021. See Note 21 to our 2023 consolidated financial statements for the changes in fair value of these derivative instruments reflected in comprehensive earnings in 2023, 2022 and 2021.

Item 8. Financial Statements and Supplementary Data.

Arthur J. Gallagher & Co.
Consolidated Statement of Earnings
(In millions, except per share data)

	Year Ended December 31,		
	2023	2022	2021
Commissions	\$ 5,865.0	\$ 5,187.4	\$ 4,132.3
Fees	3,144.7	2,567.7	2,264.1
Supplemental revenues	314.2	284.7	248.7
Contingent revenues	235.3	207.3	188.0
Interest income, premium finance revenues and other income	367.3	150.0	102.5
Revenues from clean coal activities	—	23.0	1,140.8
Revenues before reimbursements	9,926.5	8,420.1	8,076.4
Reimbursements	145.4	130.5	133.0
Total revenues	10,071.9	8,550.6	8,209.4
Compensation	5,681.2	4,799.8	3,927.5
Operating	1,689.7	1,330.9	1,072.4
Reimbursements	145.4	130.5	133.0
Cost of revenues from clean coal activities	—	22.9	1,173.2
Interest	296.7	256.9	226.1
Loss on extinguishment of debt	—	—	16.2
Depreciation	165.2	144.7	151.2
Amortization	531.3	454.9	415.1
Change in estimated acquisition earnout payables	377.3	83.0	119.6
Total expenses	8,886.8	7,223.6	7,234.3
Earnings before income taxes	1,185.1	1,327.0	975.1
Provision for income taxes	219.1	211.0	20.1
Net earnings	966.0	1,116.0	955.0
Net earnings (loss) attributable to noncontrolling interests	(3.5)	1.8	48.2
Net earnings attributable to controlling interests	\$ 969.5	\$ 1,114.2	\$ 906.8
Basic net earnings per share	\$ 4.51	\$ 5.30	\$ 4.47
Diluted net earnings per share	4.42	5.19	4.37
Dividends declared per common share	2.20	2.04	1.92

See notes to consolidated financial statements.

Arthur J. Gallagher & Co.
Consolidated Statement of Comprehensive Earnings
(In millions)

	Year Ended December 31,		
	2023	2022	2021
Net earnings	\$ 966.0	\$ 1,116.0	\$ 955.0
Change in pension liability, net of taxes	12.3	(12.3)	19.0
Foreign currency translation, net of taxes	257.8	(511.8)	(122.3)
Change in fair value of derivative instruments, net of taxes	78.2	109.8	20.8
Comprehensive earnings	1,314.3	701.7	872.5
Comprehensive earnings (loss) attributable to noncontrolling interests	(2.5)	1.6	49.5
Comprehensive earnings attributable to controlling interests	<u>\$ 1,316.8</u>	<u>\$ 700.1</u>	<u>\$ 823.0</u>

See notes to consolidated financial statements.

Arthur J. Gallagher & Co.
Consolidated Balance Sheet
(In millions)

	December 31,	
	2023	2022
Cash and cash equivalents	\$ 971.5	\$ 738.4
Fiduciary assets	26,907.9	18,236.7
Accounts receivable, net	3,786.6	2,911.1
Other current assets	450.1	399.0
Total current assets	32,116.1	22,285.2
Fixed assets - net	726.4	576.2
Deferred income taxes	1,132.3	1,299.0
Other noncurrent assets	1,131.8	989.8
Right-of-use assets	400.3	346.7
Goodwill - net	11,475.6	9,489.4
Amortizable intangible assets - net	4,633.3	3,372.1
Total assets	\$ 51,615.8	\$ 38,358.4
Fiduciary liabilities	\$ 26,907.9	\$ 18,236.7
Accrued compensation and other current liabilities	2,553.1	2,003.3
Deferred revenue - current	644.7	546.7
Premium financing debt	289.0	241.9
Corporate related borrowings - current	670.0	310.0
Total current liabilities	31,064.7	21,338.6
Corporate related borrowings - noncurrent	7,006.0	5,562.8
Deferred revenue - noncurrent	61.5	62.6
Lease liabilities - noncurrent	352.2	300.4
Other noncurrent liabilities	2,316.1	1,903.8
Total liabilities	40,800.5	29,168.2
Stockholders' equity:		
Common stock - authorized 400.0 shares; issued and outstanding 216.7 shares in 2023 and 211.9 shares in 2022	216.7	211.9
Capital in excess of par value	7,297.8	6,509.9
Retained earnings	4,052.9	3,562.2
Accumulated other comprehensive loss	(792.1)	(1,140.4)
Stockholders' equity attributable to controlling interests	10,775.3	9,143.6
Stockholders' equity attributable to noncontrolling interests	40.0	46.6
Total stockholders' equity	10,815.3	9,190.2
Total liabilities and stockholders' equity	\$ 51,615.8	\$ 38,358.4

See notes to consolidated financial statements.

Arthur J. Gallagher & Co.
Consolidated Statement of Cash Flows
(In millions)

	Year Ended December 31,		
	2023	2022	2021
Cash flows from operating activities:			
Net earnings	\$ 966.0	\$ 1,116.0	\$ 955.0
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Net gain on investments and other	(8.4)	(11.0)	(17.0)
Loss on extinguishment of debt	—	—	9.7
Depreciation and amortization	696.5	599.6	566.3
Change in estimated acquisition earnout payables	377.3	83.0	119.6
Amortization of deferred compensation and restricted stock	105.1	85.4	68.9
Stock-based and other noncash compensation expense	31.4	24.4	13.4
Payments on acquisition earnouts in excess of original estimates	(68.4)	(81.7)	(29.6)
Provision for deferred income taxes	43.1	(209.0)	(184.0)
Effect of changes in foreign exchange rates	10.3	(34.0)	2.3
Net change in accounts receivable, net	(503.5)	(319.6)	(172.3)
Net change in deferred revenue	49.0	29.3	23.1
Net change in other current assets	(107.3)	(71.7)	(102.8)
Net change in accrued compensation and other accrued liabilities	462.9	119.0	217.3
Net change in income taxes payable	(77.7)	49.9	(123.8)
Net change in other noncurrent assets and liabilities	55.4	10.4	46.3
Net cash provided by operating activities	<u>2,031.7</u>	<u>1,390.0</u>	<u>1,392.4</u>
Cash flows from investing activities:			
Capital expenditures	(193.6)	(182.7)	(128.6)
Cash paid for acquisitions, net of cash and restricted cash acquired	(3,041.9)	(764.9)	(3,250.9)
Net proceeds from sales of operations/books of business	9.9	11.0	15.7
Net funding of investment transactions	5.5	1.0	(1.1)
Net funding of premium finance loans	(72.9)	(69.2)	(66.8)
Net cash used by investing activities	<u>(3,293.0)</u>	<u>(1,004.8)</u>	<u>(3,431.7)</u>
Cash flows from financing activities:			
Payments on acquisition earnouts	(97.8)	(106.5)	(137.3)
Proceeds from issuance of common stock	120.2	123.1	1,546.7
Payments to noncontrolling interests	(2.4)	(3.6)	(39.1)
Dividends paid	(473.6)	(429.5)	(392.0)
Net change in fiduciary assets and liabilities	1,296.5	735.4	311.7
Net borrowings on premium financing debt facility	41.7	25.3	37.0
Borrowings on line of credit facility	3,795.0	2,570.0	1,280.0
Repayments on line of credit facility	(3,610.0)	(2,555.0)	(1,235.0)
Net borrowings of corporate related long-term debt	1,634.0	(201.5)	1,677.0
Debt acquisition costs	(17.7)	2.2	(21.3)
Settlements on terminated interest rate swaps	188.0	52.7	(31.9)
Net cash provided by financing activities	<u>2,873.9</u>	<u>212.6</u>	<u>2,995.8</u>
Effect of changes in foreign exchange rates on cash, cash equivalents, restricted cash and fiduciary cash	(33.5)	(99.9)	(64.5)
Net increase in cash, cash equivalents, restricted cash and fiduciary cash	1,579.1	497.9	892.0
Cash, cash equivalents, restricted cash and fiduciary cash at beginning of year	4,964.2	4,466.3	3,574.3
Cash, cash equivalents, restricted cash and fiduciary cash at end of year	<u>\$ 6,543.3</u>	<u>\$ 4,964.2</u>	<u>\$ 4,466.3</u>

See notes to consolidated financial statements.

Arthur J. Gallagher & Co.
Consolidated Statement of Stockholders' Equity
(In millions)

	Common Stock		Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
	Shares	Amount					
Balance at December 31, 2020	193.7	\$ 193.7	\$ 4,264.4	\$ 2,371.7	\$ (643.6)	\$ 46.5	\$ 6,232.7
Net earnings	—	—	—	906.8	—	48.2	955.0
Net purchase of subsidiary shares from noncontrolling interests	—	—	—	—	—	(6.0)	(6.0)
Dividends paid to noncontrolling interests	—	—	—	—	—	(38.3)	(38.3)
Net change in pension asset/liability, net of taxes of \$4.6 million	—	—	—	—	19.0	—	19.0
Foreign currency translation	—	—	—	—	(122.3)	1.3	(121.0)
Change in fair value of derivative instruments, net of taxes of \$7.4 million	—	—	—	—	20.8	—	20.8
Compensation expense related to stock option plan grants	—	—	17.5	—	—	—	17.5
Common stock issued in:							
Thirty-seven purchase transactions	1.7	1.7	249.6	—	—	—	251.3
Stock option plans	1.4	1.4	66.2	—	—	—	67.6
Employee stock purchase plan	0.4	0.4	40.8	—	—	—	41.2
Shares issued to benefit plans	0.6	0.6	70.8	—	—	—	71.4
Deferred compensation and restricted stock	0.4	0.4	6.5	—	—	—	6.9
Stock issuance from public offering	10.3	10.3	1,427.6	—	—	—	1,437.9
Other compensation expense	—	—	0.3	—	—	—	0.3
Cash dividends declared on common stock	—	—	—	(396.2)	—	—	(396.2)
Balance at December 31, 2021	208.5	208.5	6,143.7	2,882.3	(726.1)	51.7	8,560.1
Net earnings	—	—	—	1,114.2	—	1.8	1,116.0
Net purchase of subsidiary shares from noncontrolling interests	—	—	—	—	—	(3.2)	(3.2)
Dividends paid to noncontrolling interests	—	—	—	—	—	(3.5)	(3.5)
Net change in pension asset/liability, net of taxes of \$(3.0) million	—	—	—	—	(12.3)	—	(12.3)
Foreign currency translation	—	—	—	—	(511.8)	(0.2)	(512.0)
Change in fair value of derivative instruments, net of taxes of \$39.3 million	—	—	—	—	109.8	—	109.8
Compensation expense related to stock option plan grants	—	—	27.9	—	—	—	27.9
Common stock issued in:							
Eighteen purchase transactions	0.9	0.9	164.6	—	—	—	165.5
Stock option plans	1.4	1.4	74.7	—	—	—	76.1
Employee stock purchase plan	0.3	0.3	47.3	—	—	—	47.6
Shares issued to benefit plans	0.5	0.5	73.9	—	—	—	74.4
Deferred compensation and restricted stock	0.3	0.3	(22.2)	—	—	—	(21.9)
Cash dividends declared on common stock	—	—	—	(434.3)	—	—	(434.3)
Balance at December 31, 2022	211.9	\$ 211.9	\$ 6,509.9	\$ 3,562.2	\$ (1,140.4)	\$ 46.6	\$ 9,190.2

See notes to consolidated financial statements.

Arthur J. Gallagher & Co.
Consolidated Statement of Stockholders' Equity (continued)
(In millions)

	Common Stock		Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
	Shares	Amount					
Balance at December 31, 2022	211.9	\$ 211.9	\$ 6,509.9	\$ 3,562.2	\$ (1,140.4)	\$ 46.6	\$ 9,190.2
Net earnings	—	—	—	969.5	—	(3.5)	966.0
Net purchase of subsidiary shares from noncontrolling interests	—	—	—	—	—	(3.1)	(3.1)
Dividends paid to noncontrolling interests	—	—	—	—	—	(1.0)	(1.0)
Net change in pension asset/liability, net of taxes of \$3.0 million	—	—	—	—	12.3	—	12.3
Foreign currency translation	—	—	—	—	257.8	1.0	258.8
Change in fair value of derivative instruments, net of taxes of \$26.8 million	—	—	—	—	78.2	—	78.2
Compensation expense related to stock option plan grants	—	—	33.5	—	—	—	33.5
Common stock issued in:							
Twenty-three purchase transactions	2.5	2.5	523.3	—	—	—	525.8
Stock option plans	1.2	1.2	64.0	—	—	—	65.2
Employee stock purchase plan	0.3	0.3	54.7	—	—	—	55.0
Shares issued to benefit plans	0.4	0.4	84.2	—	—	—	84.6
Deferred compensation and restricted stock	0.4	0.4	28.2	—	—	—	28.6
Cash dividends declared on common stock	—	—	—	(478.8)	—	—	(478.8)
Balance at December 31, 2023	<u>216.7</u>	<u>\$ 216.7</u>	<u>\$ 7,297.8</u>	<u>\$ 4,052.9</u>	<u>\$ (792.1)</u>	<u>\$ 40.0</u>	<u>\$ 10,815.3</u>

See notes to consolidated financial statements.

Arthur J. Gallagher & Co.
Notes to Consolidated Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies

Terms Used in Notes to Consolidated Financial Statements

ASC - Accounting Standards Codification.

ASU - Accounting Standards Update.

FASB - The Financial Accounting Standards Board.

GAAP - United States (U.S.) generally accepted accounting principles.

IRC - Internal Revenue Code.

IRS - Internal Revenue Service.

Topic 606 - ASU No. 2014-09, Revenue from Contracts with Customers.

Underwriting enterprises - Insurance companies, reinsurance companies and various other forms of risk-taking entities, including intermediaries of underwriting enterprises.

VIE - Variable interest entity.

Nature of Operations

Arthur J. Gallagher & Co. and its subsidiaries, collectively referred to herein as we, our, us or the company, provide insurance brokerage, consulting and third party claims settlement and administration services to both domestic and international entities. We have three reportable segments: brokerage, risk management and corporate. Our brokers, agents and administrators act as intermediaries between underwriting enterprises and our clients.

Our brokerage segment operations provide brokerage and consulting services to entities of all types, including commercial, nonprofit, public sector entities and to a lesser extent, individuals, in the areas of insurance and reinsurance placements, risk of loss management and management of employer sponsored benefit programs. Our risk management segment operations provide contract claim settlement, claim administration, loss control services and risk management consulting for commercial, nonprofit, captive and public sector entities, and various other organizations that choose to self-insure property/casualty coverages or choose to use a third-party claims management organization rather than the claim services provided by underwriting enterprises. The corporate segment reports the financial information related to our debt and other corporate costs, legacy clean energy investments, external acquisition-related expenses and the impact of foreign currency translation. Legacy clean energy investments consist of our investments in limited liability companies that own or have owned 35 commercial clean coal production facilities that produced refined coal using Chem-Mod LLC's proprietary technologies. We believe these operations produced refined coal that qualifies for tax credits under IRC Section 45.

We do not assume underwriting risk on a net basis, other than with respect to de minimis amounts necessary to provide minimum or regulatory capital insurance to organize captives, pools, specialized underwriters or risk-retention groups. Rather, capital necessary for covering losses is provided by underwriting enterprises.

Investment income and other revenues are primarily generated from our premium financing operations, our invested cash and restricted cash we hold on behalf of our clients, as well as clean energy investments. In addition, our share of the net earnings related to partially owned entities that are accounted for using the equity method is included in investment income.

Arthur J. Gallagher & Co., a global insurance brokerage, risk management and consulting services firm, is headquartered in Rolling Meadows, Illinois. The company provides these services in approximately 130 countries around the world through its owned operations and a network of correspondent brokers and consultants.

Basis of Presentation

The accompanying consolidated financial statements include our accounts and all of our majority-owned subsidiaries (50% or greater ownership). Substantially all of our investments in partially owned entities in which our ownership is less than 50% are accounted for using the equity method based on the legal form of our ownership interest and the applicable ownership percentage of the entity. However, in situations where a less than 50%-owned investment has been determined to be a VIE and we are deemed to be the primary beneficiary in accordance with the variable interest model of consolidation, we will consolidate the investment into our consolidated financial statements. For partially owned entities accounted for using the equity method, our share of the net earnings of these entities is included in consolidated net earnings. All material intercompany accounts and transactions have been eliminated in consolidation.

In the preparation of our consolidated financial statements as of December 31, 2023, management evaluated all material subsequent events or transactions that occurred after the balance sheet date through the date on which the financial statements were issued for potential recognition and/or disclosure in the notes therein.

Use of Estimates

The preparation of our consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These accounting principles require us to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenues and expenses, and the disclosure of contingent assets and liabilities at the date of our consolidated financial statements. We periodically evaluate our estimates and assumptions, including those relating to the valuation of goodwill and other intangible assets, right-of-use assets, investments (including our IRC Section 45 investments), income taxes, revenue recognition, deferred costs, stock-based compensation, claims handling obligations, retirement plans, litigation and contingencies. We base our estimates on historical experience and various assumptions that we believe to be reasonable based on specific circumstances. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

Revenue Recognition

Our revenues are derived from commissions and fees as primarily specified in a written contract, or unwritten business understanding, with our clients or underwriting enterprises. We also recognize investment income over time from our invested assets and invested assets we hold on behalf of our clients or underwriting enterprises.

BROKERAGE SEGMENT

Our brokerage segment generates revenues by:

- (i) Identifying, negotiating and placing all forms of insurance or reinsurance coverage, as well as providing risk-shifting, risk-sharing and risk-mitigation consulting services, principally related to property/casualty, life, health, welfare and disability insurance. We also provide these services through, or in conjunction with, other unrelated agents and brokers, consultants and management advisors;
- (ii) Acting as an agent or broker for multiple underwriting enterprises by providing services such as sales, marketing, selecting, negotiating, underwriting, servicing and placing insurance coverage on their behalf;
- (iii) Providing consulting services related to health and welfare benefits, voluntary benefits, executive benefits, compensation, retirement planning, institutional investment and fiduciary, actuarial, compliance, private insurance exchange, human resource technology, communications and benefits administration; and
- (iv) Providing management and administrative services to captives, pools, risk-retention groups, healthcare exchanges, small underwriting enterprises, such as accounting, claims and loss processing assistance, feasibility studies, actuarial studies, data analytics and other administrative services.

The vast majority of our brokerage contracts and service understandings are for a period of one year or less.

Commissions and fees

The primary source of revenues for our brokerage services is commissions from underwriting enterprises, based on a percentage of premiums paid by our clients, or fees received from clients based on an agreed level of service usually in lieu of commissions. These commissions and fees revenues are substantially recognized at a point in time on the effective date of the associated

policies when control of the policy transfers to the client, as well as deferring certain revenues to reflect delivery of services over the contract period.

Commissions are fixed at the contract effective date and generally are based on a percentage of premiums for insurance coverage or employee headcount for employer sponsored benefit plans. Commissions depend upon a large number of factors, including the type of risk being placed, the particular underwriting enterprise's demand, the expected loss experience of the particular risk of coverage, and historical benchmarks surrounding the level of effort necessary for us to place and service the insurance contract. Rather than being tied to the amount of premiums, fees are most often based on an expected level of effort to provide our services.

Whether we are paid a commission or a fee, the vast majority of our services are associated with the placement of an insurance (or insurance-like) contract. Accordingly, we recognize approximately 80% of our commission and fee revenues on the effective date of the underlying insurance contract. The amount of revenue we recognize is based on our costs to provide our services up and through that effective date, including an appropriate estimate of our profit margin on a portfolio basis (a practical expedient as defined in Topic 606). Based on the proportion of additional services we provide in each period after the effective date of the insurance contract, including an appropriate estimate of our profit margin, we recognize approximately 15% of our commission and fee revenues in the first three months, and the remaining 5% thereafter. These periods may be different than the underlying premium payment patterns of the insurance contracts, but the vast majority of our services are fully provided within one year of the insurance contract effective date.

For consulting and advisory services, we recognize our revenue in the period in which we provide the service or advice. For management and administrative services, our revenue is recognized ratably over the contract period consistent with the performance of our obligations, mostly over an annual term.

Supplemental revenues

Certain underwriting enterprises may pay us additional revenues for the volume of premium placed with them and for insights into our sales pipeline, our sales capabilities or our risk selection knowledge. These amounts are in excess of the commission and fee revenues discussed above, and not all business we place with underwriting enterprises is eligible for supplemental revenues. Unlike contingent revenues, discussed below, these revenues are primarily a fixed amount or fixed percentage of premium of the underlying eligible insurance contracts. For supplemental revenue contracts based on a fixed percentage of premium, our obligation to the underwriting enterprise is substantially completed upon the effective date of the underlying insurance contract and revenue is fully earned at that time. For supplemental revenue contracts based on a fixed amount, revenue is recognized ratably over the contract period consistent with the performance of our obligations, almost always over an annual term. We receive these revenues on a quarterly or annual basis.

Contingent revenues

Certain underwriting enterprises may pay us additional revenues for our sales capabilities, our risk selection knowledge, or our administrative efficiencies. These amounts are in excess of the commission or fee revenues discussed above, and not all business we place with participating underwriting enterprises is eligible for contingent revenues. Unlike supplemental revenues, also discussed above, these revenues are variable, generally based on growth, the loss experience of the underlying insurance contracts, and/or our efficiency in processing the business. We generally operate under calendar year contracts, but we do not receive these revenues from the underwriting enterprises until the following calendar year, generally in the first and second quarters, after verification of the performance indicators outlined in the contracts. Accordingly, during each reporting period, we must make our best estimate of amounts we have earned using historical averages and other factors to project such revenues. We base our estimates each period on a contract-by-contract basis where available. In certain cases, it is impractical to assess a very large number of smaller contingent revenue contracts, so we use a historical portfolio estimate in aggregate (a practical expedient as defined in Topic 606). Because our expectation of the ultimate contingent revenue amounts to be earned can vary from period to period, especially in contracts sensitive to loss ratios, our estimates might change significantly from quarter to quarter. For example, in circumstances where our revenues are dependent on a full calendar year loss ratio, adverse loss experience in the fourth quarter could not only negate revenue earnings in the fourth quarter, but also trigger the need to reverse revenues previously recognized during the prior quarters. Variable consideration is recognized when we conclude, based on all the facts and information available at the reporting date, that it is probable that a significant revenue reversal will not occur in future periods.

Sub-brokerage costs

Sub-brokerage costs are excluded from our gross revenues in our determination of total revenues. Sub-brokerage costs represent commissions paid to sub-brokers related to the placement of certain business by our brokerage segment operations. We recognize this contra revenue in the same manner as the commission revenue to which it relates.

RISK MANAGEMENT SEGMENT

Revenues for our risk management segment are comprised of fees generally negotiated (i) on a per-claim or per-service basis, (ii) on a cost-plus basis, or (iii) as performance-based fees. We also provide risk management consulting services that are recognized as the services are delivered.

Per-claim or per-service fees

Where we operate under a contract with our fee established on a per-claim or per-service basis, our obligation is to process claims for a term specified within the contract. Because it is impractical to recognize our revenues on an individual claim-by-claim basis, we recognize revenue plus an appropriate estimate of our profit margin on a portfolio basis by grouping claims with similar characteristics (a practical expedient as defined in Topic 606). We apply actuarially-determined, historical-based patterns to determine our future service obligations, without applying a present value discount.

Cost-plus fees

Where we provide services and generate revenues on a cost-plus basis, we recognize revenue over the contract period consistent with the performance of our obligations.

Performance-based fees

Certain clients pay us additional fee revenues for our efficiency in managing claims or on the basis of claim outcome effectiveness. These amounts are in excess of the fee revenues discussed above. These revenues are variable, generally based on performance metrics set forth in the underlying contracts. We generally operate under multi-year contracts with fiscal year measurement periods. We do not receive these fees, if earned, until the following year after verification of the performance metrics outlined in the contracts. Each period we base our estimates on a contract-by-contract basis. We must make our best estimate of amounts we have earned using historical averages and other factors to project such revenues. Variable consideration is recognized when we conclude that it is probable that a significant revenue reversal will not occur in future periods.

Reimbursements

Reimbursements represent amounts received from clients reimbursing us for certain third-party costs associated with providing our claims management services. In certain service partner relationships, we are considered a principal because we direct the third party, control the specified service and combine the services provided into an integrated solution. Given this principal relationship, we are required to recognize revenue gross and service partner vendor fees in the operating expense in our consolidated statement of earnings.

Deferred Costs

We incur costs to provide brokerage and risk management services. Those costs are either (i) costs to obtain a contract or (ii) costs to fulfill such contract, or (iii) all other costs.

- (i) Costs to obtain - we incur costs to obtain a contract with a client. Those costs would not have been incurred if the contract had not been obtained. Almost all of our costs to obtain are incurred prior to, or on, the effective date of the contract and consist primarily of incentive compensation we pay to our production employees. Our costs to obtain are expensed as incurred as described in Note 4 to these consolidated financial statements.
- (ii) Costs to fulfill - we incur costs to fulfill a contract (or anticipated contract) with a client. Those costs are incurred prior to the effective date of the contract and relate to fulfilling our primary placement obligations to our clients. Our costs to fulfill prior to the effective date are capitalized and amortized on the effective date. These fulfillment activities include collecting underwriting information from our client, assessing their insurance needs and negotiating their placement with one or more underwriting enterprises. The majority of costs that we incur relate to compensation and benefits of our client service employees. Costs incurred during preplacement activities are

expected to be recovered in the future. If the capitalized costs are no longer deemed to be recoverable, then they would be expensed.

- (iii) Other costs that are not costs to obtain or fulfill are expensed as incurred. Examples include other operating costs such as rent, utilities, management costs, overhead costs, legal and other professional fees, technology costs, insurance related costs, communication and advertising, and travel and entertainment. Depreciation, amortization and change in estimated acquisition earnout payable are expensed as incurred.

Investment Income

Investment income primarily includes interest (including revenue from our premium financing operations) and dividend income, which is accrued as it is earned. Net gains on divestitures represent one-time gains related to sales of brokerage related businesses, which are primarily recognized on a cash received basis. Revenues from clean coal activities include revenues from consolidated clean coal production plants, royalty income from clean coal licenses and income (loss) related to unconsolidated clean coal production plants, all of which are recognized as earned. Revenues from consolidated clean coal production plants represent sales of refined coal. Royalty income from clean coal licenses represents fee income related to the use of clean coal technologies. Income (loss) from unconsolidated clean coal production plants includes losses related to our equity portion of the pretax results of the clean coal production plants.

Earnings per Share

Basic net earnings per share is computed by dividing net earnings by the weighted average number of common shares outstanding during the reporting period. Diluted net earnings per share is computed by dividing net earnings by the weighted average number of common and common equivalent shares outstanding during the reporting period. Common equivalent shares include incremental shares from dilutive stock options, which are calculated from the date of grant under the treasury stock method using the average market price for the period.

Cash and Cash Equivalents

Short-term investments, consisting principally of cash and money market accounts that have average maturities of 90 days or less, are considered cash equivalents.

Fiduciary Assets and Liabilities

Fiduciary assets represent cash held and insurance and reinsurance receivables that relate to our clients and are held on their behalf. Fiduciary liabilities represent the corresponding amounts that are owed to underwriting enterprises on behalf of our clients. In our capacity as an insurance broker, we collect premiums from insureds and, after deducting our commissions and/or fees, remit these premiums to underwriting enterprises. We hold unremitted insurance premiums in a fiduciary capacity until we disburse them, and the use of such funds is restricted by laws in certain states and foreign jurisdictions in which our subsidiaries operate. Various state and foreign agencies regulate insurance brokers and provide specific requirements that limit the type of investments that may be made with such funds. Accordingly, we invest these funds in cash and U.S. Treasury fund accounts. We can earn interest income on these unremitted funds, which is included in investment income in the accompanying consolidated statement of earnings. These unremitted amounts are included in fiduciary assets in the accompanying consolidated balance sheet, with the related liability included in fiduciary liabilities. Additionally, several of our foreign subsidiaries are required by various foreign agencies to meet certain liquidity and solvency requirements. We were in compliance with these requirements at December 31, 2023. This restricted cash is included in cash and cash equivalents net in the accompanying consolidated balance sheet.

Related to our third party administration business and in certain of our brokerage operations, we are responsible for client claim funds that we hold in a fiduciary capacity. We do not earn any interest income on the funds held. These client funds have been included in fiduciary assets, along with a corresponding liability in fiduciary liabilities in the accompanying consolidated balance sheet.

Accounts Receivable

Accounts receivable, net in the accompanying consolidated balance sheet includes accrued agency billed commissions, fees, supplemental commissions, direct bill commissions and contingent commission receivables due to the company. Accounts receivable are net of allowances for estimated policy cancellations and doubtful accounts. The allowance for estimated policy cancellations was \$9.9 million and \$9.3 million at December 31, 2023 and 2022, respectively, which represents a reserve for

future reversals in commission and fee revenues related to the potential cancellation of client insurance policies that were in force as of each year end. The allowance for doubtful accounts was \$23.0 million and \$11.1 million at December 31, 2023 and 2022, respectively. We establish the allowance for estimated policy cancellations through a charge to revenues and the allowance for doubtful accounts through a charge to operating expenses. Both of these allowances are based on estimates and assumptions using historical data to project future experience. Such estimates and assumptions could change in the future as more information becomes known which could impact the amounts reported and disclosed herein. We periodically review the adequacy of these allowances and make adjustments as necessary.

Derivative Instruments

We are exposed to market risks, including changes in foreign currency exchange rates and interest rates. To manage the risk related to these exposures, we enter into various derivative instruments that reduce these risks by creating offsetting exposures. In the normal course of business, we are exposed to the impact of foreign currency fluctuations that impact our results of operations and cash flows. We utilize a foreign currency risk management program involving foreign currency derivatives that consist of several monthly put/call options designed to hedge a portion of our future foreign currency disbursements through various future payment dates. To mitigate the counterparty credit risk we only enter into contracts with major financial institutions based upon their credit ratings and other factors. These derivative instrument contracts are cash flow hedges that qualify for hedge accounting and primarily hedge against fluctuations between changes in the British pound and Indian Rupee versus the U.S. dollar. Changes in fair value of the derivative instruments are reflected in other comprehensive earnings in the accompanying consolidated balance sheet. The impact of the hedge at maturity is recognized in the income statement as a component of investment income, compensation and operating expenses depending on the nature of the hedged item. We enter into various long-term debt agreements. We use interest rate derivatives, typically swaps, to reduce our exposure to the effects of interest rate fluctuations on the forecasted interest rates for up to three years into the future. These derivative instrument contracts are periodically monitored for hedge ineffectiveness, the amount of which has not been material to the accompanying consolidated financial statements. We do not use derivatives for trading or speculative purposes.

Premium Financing

Seven subsidiaries of the brokerage segment make short-term loans (generally with terms of twelve months or less) to our clients to finance premiums. These premium financing contracts are structured to minimize potential bad debt expense to us. Such receivables are generally considered delinquent after seven days of the payment due date. In normal course, insurance policies are canceled within one month of the contractual payment due date if the payment remains delinquent. We recognize interest income as it is earned over the life of the contract using the “level-yield” method. Unearned interest related to contracts receivable is included in the receivable balance in the accompanying consolidated balance sheet. The outstanding loan receivable balance was \$685.7 million and \$546.3 million at December 31, 2023 and 2022, respectively.

Fixed Assets

We carry fixed assets at cost, less accumulated depreciation, in the accompanying consolidated balance sheet. We periodically review long-lived assets for impairment whenever events or changes in business circumstances indicate that the carrying value of the assets may not be recoverable. Under those circumstances, if the fair value were less than the carrying amount of the asset, we would recognize a loss for the difference. Depreciation for fixed assets is computed using the straight-line method over the following estimated useful lives:

	<u>Useful Life</u>
Office equipment	Three to ten years
Furniture and fixtures	Three to ten years
Computer equipment	Three to five years
Building	Fifteen to forty years
Software	Three to five years
Refined fuel plants	Ten years
Leasehold improvements	Shorter of the lease term or useful life of the asset

Intangible Assets

Intangible assets represent the excess of cost over the estimated fair value of net tangible assets of acquired businesses. Our primary intangible assets are classified as either goodwill, expiration lists, non-compete agreements or trade names. Expiration

lists, non-compete agreements and trade names are amortized using the straight-line method over their estimated useful lives (two to fifteen years for expiration lists, two to six years for non-compete agreements and two to fifteen years for trade names), while goodwill is not subject to amortization. The establishment of goodwill, expiration lists, non-compete agreements and trade names and the determination of estimated useful lives are primarily based on valuations we receive from qualified independent appraisers. The calculations of these amounts are based on estimates and assumptions using historical and projected financial information and recognized valuation methods. Different estimates or assumptions could produce different results. We carry identifiable intangible assets at cost, less accumulated amortization, in the accompanying consolidated balance sheet.

We review all of our intangible assets for impairment periodically (at least annually for goodwill) and whenever events or changes in business circumstances indicate that the carrying value of the assets may not be recoverable. We perform such impairment reviews at the division (i.e., reporting unit) level with respect to goodwill and at the business unit level for amortizable intangible assets. While goodwill is not amortizable, it is tested for impairment at least annually in the fourth quarter, and more frequently if there are indicators of impairment or whenever business circumstances suggest that the carrying value of goodwill may not be recoverable. We may initially perform a qualitative analysis to determine if it is more likely than not that the goodwill balance is impaired. If a qualitative assessment is not performed or if a determination is made that it is not more likely than not that the fair value of the reporting unit exceeds its carrying amount, then we will perform a quantitative analysis. The fair value of each reporting unit is compared to its carrying value. If the fair value of the reporting unit is less than its carrying value, a non-cash impairment charge is recognized for the amount by which the carrying value exceeds the reporting unit's fair value with the loss not exceeding the total amount of goodwill allocated to that reporting unit. We completed our 2023 annual assessment in the fourth quarter and concluded goodwill was not impaired, as the fair value of each reporting unit exceeded its carrying value.

The carrying value of amortizable intangible assets attributable to each business or asset group is periodically reviewed by management to determine if there are events or changes in circumstances that would indicate that its carrying amount may not be recoverable. Accordingly, if there are any such changes in circumstances during the year, we assess the carrying value of the amortizable intangible assets by considering the estimated future undiscounted cash flows generated by the corresponding business or asset group. Any impairment identified through this assessment may require that the carrying value of related amortizable intangible assets be adjusted and charged against current period earnings as a component of amortization expense. Based on the results of impairment reviews in 2023, 2022 and 2021, we wrote off \$3.5 million, \$2.0 million and \$17.6 million, respectively, of amortizable intangible assets primarily related to acquisitions (made prior to 2021) of our brokerage and risk management segments, which is included in amortization expense in the accompanying consolidated statement of earnings. The determinations of impairment indicators and fair value are based on estimates and assumptions related to the amount and timing of future cash flows and future interest rates. Such estimates and assumptions could change in the future as more information becomes known which could impact the amounts reported and disclosed herein.

Income Taxes

Our tax rate reflects the statutory tax rates applicable to our taxable earnings and tax planning in the various jurisdictions in which we operate. Significant judgment is required in determining the annual effective tax rate and in evaluating uncertain tax positions. We report a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in our tax return. We evaluate our tax positions using a two-step process. The first step involves recognition. We determine whether it is more likely than not that a tax position will be sustained upon tax examination based solely on the technical merits of the position. The technical merits of a tax position are derived from both statutory and judicial authority (legislation and statutes, legislative intent, regulations, rulings and case law) and their applicability to the facts and circumstances of the position. If a tax position does not meet the "more likely than not" recognition threshold, we do not recognize the benefit of that position in the financial statements. The second step is measurement. A tax position that meets the "more likely than not" recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. The tax position is measured as the largest amount of benefit that has a likelihood of greater than 50% of being realized upon ultimate resolution with a taxing authority.

Uncertain tax positions are measured based upon the facts and circumstances that exist at each reporting period and involve significant management judgment. Subsequent changes in judgment based upon new information may lead to changes in recognition, derecognition and measurement. Adjustments may result, for example, upon resolution of an issue with the taxing authorities, or expiration of a statute of limitations barring an assessment for an issue. We recognize interest and penalties, if any, related to unrecognized tax benefits in our provision for income taxes.

Tax law requires certain items to be included in our tax returns at different times than such items are reflected in the financial statements. As a result, the annual tax expense reflected in our consolidated statements of earnings is different than that reported in our tax returns. Some of these differences are permanent, such as expenses that are not deductible in our tax returns, and some

differences are temporary and reverse over time, such as depreciation expense and amortization expense deductible for income tax purposes. Temporary differences create deferred tax assets and liabilities. Deferred tax liabilities generally represent tax expense recognized in the financial statements for which a tax payment has been deferred, or expense which has been deducted in the tax return but has not yet been recognized in the financial statements. Deferred tax assets generally represent items that can be used as a tax deduction or credit in tax returns in future years for which a benefit has already been recorded in the financial statements.

We establish or adjust valuation allowances for deferred tax assets when we estimate that it is more likely than not that future taxable income will be insufficient to fully use a deduction or credit in a specific jurisdiction. In assessing the need for the recognition of a valuation allowance for deferred tax assets, we consider whether it is more likely than not that some portion, or all, of the deferred tax assets will not be realized and adjust the valuation allowance accordingly. We evaluate all significant available positive and negative evidence as part of our analysis. Negative evidence includes the existence of losses in recent years. Positive evidence includes the forecast of future taxable income by jurisdiction, tax-planning strategies that would result in the realization of deferred tax assets and the presence of taxable income in prior carryback years. The underlying assumptions we use in forecasting future taxable income require significant judgment and take into account our recent performance. Such estimates and assumptions could change in the future as more information becomes known which could impact the amounts reported and disclosed herein. The ultimate realization of deferred tax assets depends on the generation of future taxable income during the periods in which temporary differences are deductible or creditable.

Fair Value of Financial Instruments

Fair value accounting establishes a framework for measuring fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). This framework includes a fair value hierarchy that prioritizes the inputs to the valuation technique used to measure fair value.

The classification of a financial instrument within the valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels of the hierarchy in order of priority of inputs to the valuation technique are defined as follows:

- Level 1 - Valuations are based on unadjusted quoted prices in active markets for identical financial instruments;
- Level 2 - Valuations are based on quoted market prices, other than quoted prices included in Level 1, in markets that are not active or on inputs that are observable either directly or indirectly for the full term of the financial instrument; and
- Level 3 - Valuations are based on pricing or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement of the financial instrument. Such inputs may reflect management's own assumptions about the assumptions a market participant would use in pricing the financial instrument.

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety.

The carrying amounts of financial assets and liabilities reported in the accompanying consolidated balance sheet for cash and cash equivalents, restricted cash, premiums and fees receivable, other current assets, premiums payable to underwriting enterprises, accrued compensation and other accrued liabilities and deferred revenue - current, at December 31, 2023 and 2022, approximate fair value because of the short-term duration of these instruments. See Note 3 to these consolidated financial statements for the fair values related to the establishment of intangible assets and the establishment and adjustment of earnout payables. See Note 8 to these consolidated financial statements for the fair values related to borrowings outstanding at December 31, 2023 and 2022 under our debt agreements. See Note 13 to these consolidated financial statements for the fair values related to investments at December 31, 2023 and 2022 under our defined benefit pension plan.

Litigation

We are the defendant in various legal actions related to claims, lawsuits and proceedings incidental to the nature of our business. We record liabilities for loss contingencies, including legal costs (such as fees and expenses of external lawyers and other service providers) to be incurred, when it is probable that a liability has been incurred on or before the balance sheet date and the amount of the liability can be reasonably estimated. We do not discount such contingent liabilities. To the extent recovery of such losses and legal costs is probable under our insurance programs, we record estimated recoveries concurrently with the losses recognized. Significant management judgment is required to estimate the amounts of such contingent liabilities and the related

insurance recoveries. In order to assess our potential liability, we analyze our litigation exposure based on available information, including consultation with outside counsel handling the defense of these matters. As these liabilities are uncertain by their nature, the recorded amounts may change due to a variety of different factors, including new developments in, or changes in approach, such as changing the settlement strategy as applicable to each matter.

Retention Bonus Arrangements

In connection with the hiring and retention of both new talent and experienced personnel, including our senior management, brokers and other key personnel, we have entered into various agreements with key employees setting up the conditions for the cash payment of certain retention bonuses. These bonuses are an incentive for these employees to remain with the company, for a fixed period of time, to allow us to capitalize on their knowledge and experience. We have various forms of retention bonus arrangements; some are paid up front and some are paid at the end of the term, but all are contingent upon successfully completing a minimum period of employment. A retention bonus that is paid to an employee upfront that is contingent on a certain minimum period of employment, will be initially classified as a prepaid asset and amortized to compensation expense as the future services are rendered over the duration of the stay period. A retention bonus that is paid to an employee at the end of the term that is contingent on a certain minimum period of employment, will be accrued as a liability through compensation expense as the future services are rendered over the duration of the stay period. If an employee leaves prior to the required time frame to earn the retention bonus outright, then all or any portion that is ultimately unearned or refundable, and recovered by the company if prepaid, is forfeited and reversed through compensation expense.

Stock-Based Compensation

We have several employee equity-settled and cash-settled share-based compensation plans. Equity-settled share-based payments to employees include grants of stock options, performance stock units and restricted stock units and are measured based on estimated grant date fair value. We have elected to use the Black-Scholes option pricing model to determine the fair value of stock options on the dates of grant. Performance stock units are measured on the probable outcome of the performance conditions applicable to each grant. Restricted stock units are measured based on the fair market values of the underlying stock on the dates of grant. Shares are issued on the vesting dates net of the minimum statutory tax withholding requirements, as applicable, to be paid by us on behalf of our employees. As a result, the actual number of shares issued will be fewer than the actual number of performance stock units and restricted stock units outstanding. Furthermore, we record the liability for withholding amounts to be paid by us as a reduction to additional paid-in capital when paid.

Cash-settled share-based payments to employees include awards under our Performance Unit Program and stock appreciation rights. The fair value of the amount payable to employees in respect of cash-settled share-based payments is recognized as compensation expense, with a corresponding increase in liabilities, over the vesting period. The liability is remeasured at each reporting date and at settlement date. Any changes in fair value of the liability are recognized as compensation expense.

We recognize share-based compensation expense over the requisite service period for awards expected to ultimately vest. Forfeitures are estimated on the date of grant and revised if actual or expected forfeiture activity differs from original estimates.

Employee Stock Purchase Plan

We have an employee stock purchase plan (which we refer to as the ESPP), under which the sale of 8.0 million shares of our common stock has been authorized. Eligible employees may contribute up to 15% of their compensation towards the quarterly purchase of our common stock at a purchase price equal to 95% of the lesser of the fair market value of our common stock on the first business day or the last business day of the quarterly offering period. Eligible employees may annually purchase shares of our common stock with an aggregate fair market value of up to \$25,000 (measured as of the first day of each quarterly offering period of each calendar year), provided that no employee may purchase more than 2,000 shares of our common stock under the ESPP during any calendar year. At December 31, 2023, 5.0 million shares of our common stock was reserved for future issuance under the ESPP.

Defined Benefit Pension Plans

We recognize in our consolidated balance sheet, an asset for our defined benefit pension plans' overfunded status or a liability for our plans' underfunded status. We recognize changes in the funded status of our defined benefit pension plans in comprehensive earnings in the year in which the changes occur. We use December 31 as the measurement date for our plans' assets and benefit obligations. See Note 13 to these consolidated financial statements for additional information required to be disclosed related to our defined benefit pension plans.

2. Effect of New Accounting Pronouncements

Segment Reporting

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires that an entity report segment information in accordance with Topic 280, Segment Reporting. The amendment in the ASU is intended to improve reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. The amendments in this update are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. We are currently evaluating the impact of the new standard on our consolidated financial statements which is expected to result in enhanced disclosures.

Income Taxes

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires that an entity, on an annual basis, disclose additional income tax information, primarily related to the rate reconciliation and income taxes paid. The amendment in the ASU is intended to enhance the transparency and decision usefulness of income tax disclosures. The amendments in this update are effective for annual periods beginning after December 15, 2024. We are currently evaluating the impact of the new standard on our consolidated financial statements which is expected to result in enhanced disclosures.

3. Business Combinations

During 2023, we acquired substantially all of the ownership interests or net assets, as applicable, of the following firms in exchange for our common stock and/or cash. These acquisitions have been accounted for using the acquisition method for recording business combinations (in millions, except share data):

Name and Effective Date of Acquisition	Common Shares Issued	Common Share Value	Cash Paid	Accrued Liability	Escrow Deposited	Recorded Earnout Payable	Total Recorded Purchase Price	Maximum Potential Earnout Payable
	(000s)							
First Ireland Risk Management Ltd. January 1, 2023 (FIR)	—	\$ —	\$ 86.4	\$ —	\$ 5.3	\$ 6.1	\$ 97.8	\$ 6.6
BCHR Holdings, L.P. dba Buck April 1, 2023 (BCHR)	—	—	600.8	0.5	19.5	—	620.8	—
Boley-Featherston-Huffman & Deal Co. April 1, 2023 (BFH)	243	45.2	8.8	—	6.0	9.3	69.3	15.0
Tay River Holdings Limited April 1, 2022 (TRH)	—	—	40.3	4.3	2.4	32.0	79.0	88.7
Insurance by Ken Brown May 1, 2023 (IKB)	273	53.9	1.8	—	2.9	11.3	69.9	17.5
RHP General Agency May 1, 2023 (RHP)	335	65.7	1.3	—	5.0	4.4	76.4	11.0
Clements & Co October 1, 2023 (CLM)	193	43.3	7.1	—	3.0	30.9	84.3	70.0
Eastern Insurance Group, LLC October 31, 2023 (EIG)	—	—	511.4	3.7	—	—	515.1	—
Cadence Insurance, Inc. November 30, 2023 (CDI)	—	—	880.1	5.9	—	—	886.0	—
My Plan Manager December 1, 2023 (MPM)	—	—	298.6	—	3.0	—	301.6	—
Forty-one other acquisitions completed in 2023	450	98.0	671.6	11.7	47.6	113.5	942.4	191.4
	<u>1,494</u>	<u>\$ 306.1</u>	<u>\$ 3,108.2</u>	<u>\$ 26.1</u>	<u>\$ 94.7</u>	<u>\$ 207.5</u>	<u>\$ 3,742.6</u>	<u>\$ 400.2</u>

On December 6, 2023, we acquired all of the issued and outstanding shares of My Plan Manager Group Pty Ltd (which we refer to as My Plan Manager). We funded the transaction using free cash flow and borrowings under our Credit Agreement. The acquired My Plan Manager is the leading provider of plan management services to participants in Australia's National Disability Insurance Scheme.

On November 30, 2023, we acquired all of the issued and outstanding shares of Cadence Insurance, Inc. (which we refer to as Cadence Insurance). We funded the transaction using free cash flow and funds received from an unsecured senior notes offering. The acquired Cadence Insurance business offers a full suite of commercial property/casualty, employee benefits and personal lines products to clients from 34 offices spanning nine states across the Southeast, including Texas.

On October 31, 2023, we acquired the net assets of Eastern Insurance Group, LLC (which we refer to as Eastern Insurance). We funded the transaction using free cash flow and funds received from an unsecured senior notes offering. The acquired Eastern Insurance business offers comprehensive commercial property/casualty and personal lines products as well as employee benefits consulting to clients throughout the Northeastern U.S.

On April 3 2023, we acquired the partnership interests of BCHR holdings, L.P. and its subsidiaries dba Buck (which we refer to as Buck). We funded the transaction using free cash flow and funds received from an unsecured senior notes offering. The acquired Buck business is a leading provider of retirement, human resources and employee benefits consulting and administration services operating for more than 100 years and has a diverse client base by both size and industry. Immediately prior to closing, Buck had over 2,300 employees, including more than 220 credentialed actuaries, primarily serving customers throughout the U.S., Canada and the U.K.

Common shares issued in connection with acquisitions are valued at closing market prices as of the effective date of the applicable acquisition or on the days when the shares are issued, if purchase consideration is deferred. We record escrow deposits that are returned to us as a result of adjustments to net assets acquired as reductions of goodwill when the escrows are settled. The maximum potential earnout payables disclosed in the foregoing table represent the maximum amount of additional consideration that could be paid pursuant to the terms of the purchase agreement for the applicable acquisition. The amounts recorded as earnout payables, which are primarily based upon the estimated future operating results of the acquired entities over a two- to three-year period subsequent to the acquisition date, are measured at fair value as of the acquisition date and are included on that basis in the recorded purchase price consideration in the foregoing table. We will record subsequent changes in these estimated earnout obligations, including the accretion of discount, in our consolidated statement of earnings when incurred.

The fair value of these earnout obligations is based on the present value of the expected future payments to be made to the sellers of the acquired entities in accordance with the provisions outlined in the respective purchase agreements, which is a Level 3 fair value measurement. In determining fair value, we estimated the acquired entity's future performance using financial projections developed by management for the acquired entity and market participant assumptions that were derived for revenue growth and/or profitability. Revenue growth rates generally ranged from 5.0% to 20.0% for our 2023 acquisitions. We estimated future payments using the earnout formula and performance targets specified in each purchase agreement and the financial projections just described. We then discounted these payments to present value using a risk-adjusted rate that takes into consideration market-based rates of return that reflect the ability of the acquired entity to achieve the targets. The discount rates generally ranged from 6.7% to 9.6% for our 2023 acquisitions. Changes in financial projections, market participant assumptions for revenue growth and/or profitability, or the risk-adjusted discount rate, would result in a change in the fair value of recorded earnout obligations.

During 2023, 2022 and 2021, we recognized \$76.6 million, \$61.0 million and \$35.7 million respectively, of expense in our consolidated statement of earnings related to the accretion of the discount recorded for earnout obligations in connection with our acquisitions. In addition, during 2023, 2022 and 2021, we recognized \$300.7 million, \$22.0 million and \$83.9 million of expense, respectively, related to net adjustments in the estimated fair value of the liability for earnout obligations in connection with revised assumptions due to changes in interest rates volatility and other assumptions and projections of future performance for 80, 89 and 99 acquisitions, respectively. The net adjustments during 2023, include changes made to the estimated fair value of the Willis Re acquisition earnout and reflect updated assumptions as of December 31, 2023. The aggregate amount of maximum earnout obligations related to acquisitions made in 2020 and subsequent years was \$2,009.8 million as of December 31, 2023, of which \$1,294.2 million was recorded in the consolidated balance sheet as of that date based on the estimated fair value of the expected future payments to be made, of which approximately \$564.8 million can be settled in cash or stock at our option and \$729.4 million must be settled in cash. The aggregate amount of maximum earnout obligations related to acquisitions made in 2019 and subsequent years was \$1,946.2 million as of December 31, 2022, of which \$1,077.3 million was recorded in the consolidated balance sheet as of that date based on the estimated fair value of the expected future payments to be

made, of which approximately \$734.0 million can be settled in cash or stock at our option and \$343.3 million must be settled in cash.

The following is a summary of the estimated fair values of the net assets acquired at the date of each acquisition made in 2023 (in millions):

	FIR	BCHR	BFH	TRH	IKB	RHP	CLM	EIG	CDI	MPM	Forty-one Other Acquisiti ons	Total
Cash and cash equivalents	\$ 13.0	\$ 25.8	\$ 0.6	\$ 5.3	\$ 2.0	\$ —	\$ —	\$ 0.5	\$ 58.7	\$ 5.0	\$ 35.1	\$ 146.0
Fiduciary assets	13.8	—	3.7	—	0.5	3.0	15.8	22.9	42.3	—	88.4	190.4
Other current assets	1.4	60.9	1.4	8.3	2.6	1.5	3.3	20.4	40.7	5.5	31.2	177.2
Fixed assets	0.8	36.8	—	—	0.2	—	1.5	0.1	12.3	59.6	0.8	112.1
Noncurrent assets	8.6	35.0	0.2	0.2	0.5	0.3	4.0	1.5	16.0	4.8	14.5	85.6
Goodwill	63.8	366.8	50.6	61.9	49.8	43.7	59.9	191.1	314.7	121.8	465.1	1,789.2
Expiration lists	25.9	207.6	22.7	7.5	22.3	43.5	34.5	322.0	499.5	88.0	447.5	1,721.0
Non-compete agreements	0.1	—	0.6	—	0.5	—	0.6	1.0	1.6	14.7	11.4	30.5
Trade names	0.4	2.6	—	0.4	—	0.2	—	—	—	58.7	2.0	64.3
Total assets acquired	127.8	735.5	79.8	83.6	78.4	92.2	119.6	559.5	985.8	358.1	1,096.0	4,316.3
Fiduciary liabilities	13.8	—	3.7	—	0.5	3.0	15.8	22.9	42.3	—	88.4	190.4
Current liabilities	3.9	50.4	0.6	2.6	1.7	1.3	3.8	20.4	38.6	4.8	21.7	149.8
Noncurrent liabilities	12.3	64.3	6.2	2.0	6.3	11.5	15.7	1.1	18.9	51.7	43.5	233.5
Total liabilities assumed	30.0	114.7	10.5	4.6	8.5	15.8	35.3	44.4	99.8	56.5	153.6	573.7
Total net assets acquired	<u>\$ 97.8</u>	<u>\$ 620.8</u>	<u>\$ 69.3</u>	<u>\$ 79.0</u>	<u>\$ 69.9</u>	<u>\$ 76.4</u>	<u>\$ 84.3</u>	<u>\$ 515.1</u>	<u>\$ 886.0</u>	<u>\$ 301.6</u>	<u>\$ 942.4</u>	<u>\$ 3,742.6</u>

Among other things, these acquisitions allow us to expand into desirable geographic locations, further extend our presence in the retail and wholesale insurance and reinsurance brokerage markets and increase the volume of general services currently provided. The excess of the purchase price over the estimated fair value of the tangible net assets acquired at the acquisition date was allocated to goodwill, expiration lists, non-compete agreements and trade names in the amounts of \$1,789.2 million, \$1,721.0 million, \$30.5 million and \$64.3 million, respectively, within the brokerage and risk management segments.

The fair value of the tangible assets and liabilities for each applicable acquisition at the acquisition date approximated their carrying values. In general, the fair value of expiration lists was established using the excess earnings method, which is an income approach based on estimated financial projections developed by management for each acquired entity using market participant assumptions. Revenue growth and attrition rates generally ranged from 3.0% to 5.0% and 5.0% to 25.5% for our 2023 and 2022 acquisitions, respectively, for which valuations were performed in 2023. We estimate the fair value as the present value of the benefits anticipated from ownership of the subject expiration list in excess of returns required on the investment in contributory assets necessary to realize those benefits. The rate used to discount the net benefits was based on a risk-adjusted rate that takes into consideration market-based rates of return and reflects the risk of the asset relative to the

acquired business. These discount rates generally ranged from 9.0% to 15.0% for our 2023 and 2022 acquisitions, for which valuations were performed in 2023. The fair value of non-compete agreements was established using the profit differential method, which is an income approach based on estimated financial projections developed by management for the acquired company using market participant assumptions and various non-compete scenarios.

Provisional estimates of fair value are established at the time of each acquisition and are subsequently reviewed and finalized within the first year of operations subsequent to the acquisition date to determine the necessity for adjustments. During this period, we may use independent third-party valuation specialists to assist us in finalizing the fair value of assets acquired and liabilities assumed. Fair value adjustments, if any, are most common to the values established for amortizable intangible assets, including expiration lists, non-compete agreements, acquired software, and for earnout liabilities, with the offset to goodwill, net of any income tax effect. Provisional estimates of fair value were used by us to initially record the acquisition of Willis Re as of the December 1, 2021 acquisition date. We used independent third-party valuation specialists to assist us in determining the fair value of assets acquired and liabilities assumed for this transaction. As of December 31, 2022, the specialists completed their analysis and the fair value estimates have been finalized. Based on the work performed in 2022, we made adjustments to the amounts initially recorded for expiration lists, acquired software and for earnout liability. As a result of these adjustments, the amount allocated to expiration lists decreased by \$608.0 million, the amount allocated to acquired software increased by \$59.1 million and the fair value of the earnout liability as of the acquisition date decreased by \$1.6 million. In addition, a net working capital adjustment of \$106.0 million was recorded in 2022, related to this transaction, which resulted in a decrease in the initial purchase price consideration paid. These non-cash adjustments resulted in a net increase in goodwill of \$441.3 million. The reason for the lower value allocated to expiration lists is due to receipt of additional information regarding average customer lives and the higher value allocated to the acquired software which is a result of the incorporation of additional information related to the licensing of certain software applications.

Expiration lists, non-compete agreements and trade names related to our acquisitions are amortized using the straight-line method over their estimated useful lives (two to fifteen years for expiration lists, two to six years for non-compete agreements and two to fifteen years for trade names), while goodwill is not subject to amortization. We use the straight-line method to amortize these intangible assets because the pattern of their economic benefits cannot be reasonably determined with any certainty. We review all of our identifiable intangible assets for impairment periodically (at least annually) and whenever events or changes in business circumstances indicate that the carrying value of the assets may not be recoverable. In reviewing identifiable intangible assets, if the undiscounted future cash flows were less than the carrying amount of the respective (or underlying) asset, an indicator of impairment would exist and further analysis would be required to determine whether or not a loss would need to be charged against current period earnings as a component of amortization expense. Based on the results of impairment reviews in 2023, 2022 and 2021, we wrote off \$3.5 million, \$2.0 million and \$17.6 million, respectively, of amortizable intangible assets related to the brokerage and risk management segments.

Of the \$1,721.0 million of expiration lists, \$30.5 million of non-compete agreements and \$64.3 million of trade names related to the 2023 acquisitions, \$580.0 million, \$22.9 million and \$62.8 million, respectively, is not expected to be deductible for income tax purposes. Accordingly, we recorded a deferred tax liability of \$172.0 million, and a corresponding amount of goodwill, in 2023 related to the nondeductible amortizable intangible assets.

Our consolidated financial statements for the year ended December 31, 2023 include the operations of the acquired entities from their respective acquisition dates. The following is a summary of the unaudited pro forma historical results, as if these entities had been acquired at January 1, 2022 (in millions, except per share data):

	Year Ended December 31,	
	2023	2022
Total revenues	\$ 10,579.8	\$ 9,390.7
Net earnings attributable to controlling interests	954.4	1,091.5
Basic net earnings per share	4.42	5.15
Diluted net earnings per share	4.33	5.05

The unaudited pro forma results above have been prepared for comparative purposes only and do not purport to be indicative of the results of operations which actually would have resulted had these acquisitions occurred at January 1, 2022, nor are they necessarily indicative of future operating results. Annualized revenues of entities acquired in 2023 totaled approximately \$885.1 million. Total revenues and net loss recorded in our consolidated statement of earnings for 2023 related to the 2023 acquisitions in the aggregate, were \$394.0 million and \$(21.4) million, respectively.

4. Contracts with Customers

Contract Assets and Liabilities/Contract Balances

Information about unbilled receivables, contract assets and contract liabilities from contracts with customers is as follows (in millions):

	December 31, 2023	December 31, 2022
Unbilled receivables	\$ 1,093.7	\$ 910.9
Deferred contract costs	169.1	144.5
Deferred revenue	706.2	609.3

The unbilled receivables, which are included in premium and fees receivable in our consolidated balance sheet, primarily relate to our rights to consideration for work completed but not billed at the reporting date. These are transferred to the receivables when the client is billed. The deferred contract costs represent the costs we incur to fulfill a new or renewal contract with our clients prior to the effective date of the contract. These costs are expensed on the contract effective date. The deferred revenue in the consolidated balance sheet included amounts that represent the remaining performance obligations under our contracts and amounts collected related to advanced billings and deposits received from customers that may or may not ultimately be recognized as revenues in the future. Deposits received from customers could be returned to the customers based on lesser actual transactional volume than originally billed volume.

Significant changes in the deferred revenue balances, which include foreign currency translation adjustments, during the period are as follows (in millions):

	Brokerage	Risk Management	Total
Deferred revenue at December 31, 2021	\$ 395.9	\$ 183.7	\$ 579.6
Incremental deferred revenue	342.3	103.2	445.5
Revenue recognized during the year ended December 31, 2022 included in deferred revenue at December 31, 2021	(326.3)	(104.6)	(430.9)
Net change in collected billings/deposits received from customers	21.4	(7.0)	14.4
Impact of changes in foreign exchange rates	(17.9)	—	(17.9)
Deferred revenue recognized from business acquisitions	18.6	—	18.6
Deferred revenue at December 31, 2022	434.0	175.3	609.3
Incremental deferred revenue	386.3	106.7	493.0
Revenue recognized during the year ended December 31, 2023 included in deferred revenue at December 31, 2022	(358.4)	(103.6)	(462.0)
Net change in collected billings/deposits received from customers	18.8	(5.8)	13.0
Impact of changes in foreign exchange rates	15.2	—	15.2
Deferred revenue recognized from business acquisitions	37.7	—	37.7
Deferred revenue at December 31, 2023	<u>\$ 533.6</u>	<u>\$ 172.6</u>	<u>\$ 706.2</u>

Revenue recognized during 2023 in the table above included revenue from 2022 acquisitions that would not be reflected in prior years.

Remaining Performance Obligations

Remaining performance obligations represent the portion of the contract price for which work has not been performed. As of December 31, 2023, the aggregate amount of the contract price allocated to remaining performance obligations was \$706.2 million.

The estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period is as follows (in millions):

	Brokerage	Risk Management	Total
2024	\$ 498.4	\$ 42.7	\$ 541.1
2025	31.3	68.5	99.8
2026	1.9	28.1	30.0
2027	1.0	14.6	15.6
2028	0.5	7.9	8.4
Thereafter	0.5	10.8	11.3
Total	\$ 533.6	\$ 172.6	\$ 706.2

Deferred Contract Costs

We capitalize costs incurred to fulfill contracts as “deferred contract costs” which are included in other current assets in our consolidated balance sheet. Deferred contract costs were \$169.1 million and \$144.5 million as of December 31, 2023 and 2022, respectively. Capitalized fulfillment costs are amortized to expense on the contract effective date. The amount of amortization of the deferred contract costs was \$570.8 million and \$504.4 million for the years ended December 31, 2023 and 2022, respectively.

We have applied the practical expedient to recognize the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that we otherwise would have recognized is one year or less for our brokerage segment. These costs are included in compensation and operating expenses in our consolidated statement of earnings.

5. Change in Presentation of Fiduciary Assets and Liabilities

In first quarter 2023, we revised the presentation of certain amounts in our consolidated balance sheet and statement of cash flows primarily to separately identify and present fiduciary assets and liabilities. Specifically, we have reclassified prior period balances of fiduciary assets historically included in restricted cash and premiums and fees receivable into a new line on the balance sheet, fiduciary assets. Additionally, we have made certain immaterial revisions to fiduciary related balances including premiums receivable and premiums payable to underwriting enterprises related to the former Willis Re operations from gross to a net presentation to align to our accounting policy and presentation. We also added a new accounts receivable, net line in the balance sheet that includes accrued agency billed commissions, fees, supplemental commissions, direct bill commissions and contingent commission receivables due to the company. Fiduciary assets represent cash held and insurance and reinsurance receivables that relate to our clients and are held on their behalf. Fiduciary liabilities represent the corresponding amounts that are owed to underwriting enterprises on behalf of our clients. We made the applicable revisions and reclassifications to the prior-period amounts to conform to the current period presentation. These changes had no impact on the consolidated statement of earnings, comprehensive earnings or stockholders’ equity for all periods presented. Additionally, these revisions did not impact our previously reported net increase in total cash (i.e., net cash, cash equivalents and restricted cash in the aggregate on our statement of cash flows).

The revisions and reclassifications to the presentation of the consolidated balance sheet include the following:

Assets

- Restricted cash line was removed. Amounts were reclassified to cash and cash equivalents and fiduciary assets. See Note 20 - Supplemental Disclosures of Cash Flow Information for a reconciliation of our end of period cash, cash equivalents, restricted cash and fiduciary cash balances.
- A new fiduciary assets line was added. Amounts were reclassified from restricted cash and premiums and fees receivable.
- A new accounts receivable, net line was added. Amounts were reclassified from premiums and fees receivable and other current assets.
- The premiums and fees receivable line was removed.

Liabilities

- A new fiduciary liabilities line item was added. Amounts were reclassified from premiums payable to underwriting enterprises.
- The premiums payable to underwriting enterprises was removed.

The revisions and reclassifications to the presentation of the consolidated statement of cash flows include the following:

Net cash provided by operating activities

- The net change in premiums and fees receivable was removed.
- A new net change in accounts receivable, net was added.
- The net change in premiums payable to underwriting enterprises was removed.

Net cash provided by financing activities

- A new net change in fiduciary assets and liabilities was added.

In addition to these changes, we moved the net change in fiduciary assets and liabilities from the operating section to the financing section of the statement of cash flows.

The effect of the changes to the presentation of our consolidated balance sheet as of December 31, 2022 is summarized below:

(In millions)	December 31,		
	Reported 2022	Change	Revised 2022
Cash and cash equivalents	\$ 342.3	\$ 396.1	\$ 738.4
Restricted cash	4,621.9	(4,621.9)	—
Premiums and fees receivable	16,408.9	(16,408.9)	—
Fiduciary assets	—	18,236.7	18,236.7
Accounts receivable, net	—	2,911.1	2,911.1
Other current assets	1,461.5	(1,062.5)	399.0
Total current assets	22,834.6	(549.4)	22,285.2
Total assets	38,907.8	(549.4)	38,358.4
Premium payable to underwriting enterprises	18,698.2	(18,698.2)	—
Fiduciary liabilities	—	18,236.7	18,236.7
Accrued compensation and other accrued liabilities	2,091.2	(87.9)	2,003.3
Total current liabilities	21,888.0	(549.4)	21,338.6
Total liabilities	29,717.6	(549.4)	29,168.2
Total liabilities and stockholders' equity	38,907.8	(549.4)	38,358.4

The effect of the changes to the presentation of our statement of cash flows for the year ended December 31, 2022 and 2021 is summarized below:

(In millions)	Year ended December 31,		
	Reported 2022	Change	Revised 2022
Cash flows from operating activities:			
Net change in accounts receivable, net	\$ —	\$ (319.6)	\$ (319.6)
Net change in premium and fees receivable	(4,789.3)	4,789.3	—
Net change in premiums payable to underwriting enterprises	5,084.2	(5,084.2)	—
Net change in other current assets	(47.1)	(24.6)	(71.7)
Net change in accrued compensation and other accrued liabilities	215.3	(96.3)	119.0
Net cash provided by operating activities	2,125.4	(735.4)	1,390.0
Cash flows from financing activities:			
Net change in fiduciary assets and liabilities	—	735.4	735.4
Net cash provided by (used) by financing activities	(522.8)	735.4	212.6

(In millions)	Year ended December 31,		
	Reported 2021	Change	Revised 2021
Cash flows from operating activities:			
Net change in accounts receivable, net	\$ —	\$ (172.3)	\$ (172.3)
Net change in premium and fees receivable	132.9	(132.9)	—
Net change in premiums payable to underwriting enterprises	35.5	(35.5)	—
Net change in other current assets	(136.8)	34.0	(102.8)
Net change in accrued compensation and other accrued liabilities	222.3	(5.0)	217.3
Net cash provided by operating activities	1,704.1	(311.7)	1,392.4
Cash flows from financing activities:			
Net change in fiduciary assets and liabilities	—	311.7	311.7
Net cash provided by financing activities	2,684.1	311.7	2,995.8

6. Fixed Assets

Major classes of fixed assets consist of the following (in millions):

	December 31,	
	2023	2022
Office equipment	\$ 32.9	\$ 32.2
Furniture and fixtures	154.1	142.0
Leasehold improvements	232.6	190.7
Computer equipment	353.5	295.8
Land and buildings - corporate headquarters	168.9	145.3
Software	722.9	583.4
Other	31.3	16.9
Work in process	54.1	56.0
	1,750.3	1,462.3
Accumulated depreciation	(1,023.9)	(886.1)
Net fixed assets	\$ 726.4	\$ 576.2

The amounts in work in process in the table above primarily are for capitalized expenditures incurred related to IT development projects in 2023 and 2022.

7. Intangible Assets

The carrying amount of goodwill at December 31, 2023 and 2022 allocated by domestic and foreign operations is as follows (in millions):

	Brokerage	Risk Management	Corporate	Total
At December 31, 2023				
United States	\$ 6,304.5	\$ 74.8	\$ —	\$ 6,379.3
United Kingdom	2,493.4	18.5	—	2,511.9
Canada	623.7	—	—	623.7
Australia	514.6	135.9	—	650.5
New Zealand	204.2	9.6	—	213.8
Other foreign	1,077.4	—	19.0	1,096.4
Total goodwill - net	<u>\$ 11,217.8</u>	<u>\$ 238.8</u>	<u>\$ 19.0</u>	<u>\$ 11,475.6</u>
At December 31, 2022				
United States	\$ 5,065.7	\$ 74.8	\$ —	\$ 5,140.5
United Kingdom	2,180.2	17.7	—	2,197.9
Canada	569.7	—	—	569.7
Australia	467.6	10.2	—	477.8
New Zealand	203.8	9.5	—	213.3
Other foreign	871.1	—	19.1	890.2
Total goodwill - net	<u>\$ 9,358.1</u>	<u>\$ 112.2</u>	<u>\$ 19.1</u>	<u>\$ 9,489.4</u>

The changes in the carrying amount of goodwill for 2023 and 2022 are as follows (in millions):

	Brokerage	Risk Management	Corporate	Total
Balance as of December 31, 2021	\$ 8,544.6	\$ 100.9	\$ 20.7	\$ 8,666.2
Goodwill acquired during the year	693.9	16.0	—	709.9
Goodwill adjustments related to appraisals and other acquisition adjustments	428.3	(1.6)	0.2	426.9
Foreign currency translation adjustments during the year	(308.7)	(3.1)	(1.8)	(313.6)
Balance as of December 31, 2022	9,358.1	112.2	19.1	9,489.4
Goodwill acquired during the year	1,667.4	121.8	—	1,789.2
Goodwill adjustments related to appraisals and other acquisition adjustments	20.0	(0.1)	—	19.9
Foreign currency translation adjustments during the year	172.3	4.9	(0.1)	177.1
Balance as of December 31, 2023	<u>\$ 11,217.8</u>	<u>\$ 238.8</u>	<u>\$ 19.0</u>	<u>\$ 11,475.6</u>

Major classes of amortizable intangible assets consist of the following (in millions):

	December 31,	
	2023	2022
Expiration lists	\$ 8,222.8	\$ 6,472.3
Accumulated amortization - expiration lists	(3,733.2)	(3,178.5)
	<u>4,489.6</u>	<u>3,293.8</u>
Non-compete agreements	112.2	91.3
Accumulated amortization - non-compete agreements	(74.9)	(67.5)
	<u>37.3</u>	<u>23.8</u>
Trade names	171.8	108.5
Accumulated amortization - trade names	(65.4)	(54.0)
	<u>106.4</u>	<u>54.5</u>
Net amortizable assets	<u>\$ 4,633.3</u>	<u>\$ 3,372.1</u>

Estimated aggregate amortization expense for each of the next five years is as follows (in millions):

2024	\$	623.2
2025		580.7
2026		537.7
2027		500.5
2028		459.2
Thereafter		1,932.0
Total	\$	<u>4,633.3</u>

8. Credit and Other Debt Agreements

The following is a summary of our corporate and other debt (in millions):

	December 31,	
	2023	2022
Senior Notes:		
Semi-annual payments of interest, fixed rate of 2.40%, balloon due November 9, 2031	\$ 400.0	\$ 400.0
Semi-annual payments of interest, fixed rate of 5.50%, balloon due March 2, 2033	350.0	—
Semi-annual payments of interest, fixed rate of 3.50%, balloon due May 20, 2051	850.0	850.0
Semi-annual payments of interest, fixed rate of 3.05%, balloon due March 9, 2052	350.0	—
Semi-annual payments of interest, fixed rate of 5.75%, balloon due March 2, 2053	600.0	350.0
Semi-annual payments of interest, fixed rate of 6.50%, balloon due February 15, 2034	400.0	350.0
Semi-annual payments of interest, fixed rate of 6.75%, balloon due February 15, 2054	600.0	—
Total Senior Notes	3,550.0	1,950.0
Note Purchase Agreements:		
Semi-annual payments of interest, fixed rate of 5.49%, balloon due February 10, 2023	—	50.0
Semi-annual payments of interest, fixed rate of 4.13%, balloon due June 24, 2023	—	200.0
Semi-annual payments of interest, fixed rate of 4.72%, balloon due February 13, 2024	100.0	100.0
Semi-annual payments of interest, fixed rate of 4.58%, balloon due February 27, 2024	325.0	325.0
Quarterly payments of interest, floating rate of 90 day LIBOR plus 1.40%, balloon due June 13, 2024	—	50.0
Semi-annual payments of interest, fixed rate of 4.31%, balloon due June 24, 2025	200.0	200.0
Semi-annual payments of interest, fixed rate of 4.85%, balloon due February 13, 2026	140.0	140.0
Semi-annual payments of interest, fixed rate of 4.73%, balloon due February 27, 2026	175.0	175.0
Semi-annual payments of interest, fixed rate of 4.40%, balloon due June 2, 2026	175.0	175.0
Semi-annual payments of interest, fixed rate of 4.36%, balloon due June 24, 2026	150.0	150.0
Semi-annual payments of interest, fixed rate of 3.75%, balloon due January 30, 2027	30.0	30.0
Semi-annual payments of interest, fixed rate of 4.09%, balloon due June 27, 2027	125.0	125.0
Semi-annual payments of interest, fixed rate of 4.09%, balloon due August 2, 2027	125.0	125.0
Semi-annual payments of interest, fixed rate of 4.14%, balloon due August 4, 2027	98.0	98.0
Semi-annual payments of interest, fixed rate of 3.46%, balloon due December 1, 2027	100.0	100.0
Semi-annual payments of interest, fixed rate of 4.55%, balloon due June 2, 2028	75.0	75.0
Semi-annual payments of interest, fixed rate of 4.34%, balloon due June 13, 2028	125.0	125.0
Semi-annual payments of interest, fixed rate of 5.04%, balloon due February 13, 2029	100.0	100.0
Semi-annual payments of interest, fixed rate of 4.98%, balloon due February 27, 2029	100.0	100.0
Semi-annual payments of interest, fixed rate of 4.19%, balloon due June 27, 2029	50.0	50.0
Semi-annual payments of interest, fixed rate of 4.19%, balloon due August 2, 2029	50.0	50.0
Semi-annual payments of interest, fixed rate of 3.48%, balloon due December 2, 2029	50.0	50.0
Semi-annual payments of interest, fixed rate of 3.99%, balloon due January 30, 2030	341.0	341.0
Semi-annual payments of interest, fixed rate of 4.44%, balloon due June 13, 2030	125.0	125.0
Semi-annual payments of interest, fixed rate of 5.14%, balloon due March 13, 2031	180.0	180.0
Semi-annual payments of interest, fixed rate of 4.70%, balloon due June 2, 2031	25.0	25.0
Semi-annual payments of interest, fixed rate of 4.09%, balloon due January 30, 2032	69.0	69.0
Semi-annual payments of interest, fixed rate of 4.34%, balloon due June 27, 2032	75.0	75.0
Semi-annual payments of interest, fixed rate of 4.34%, balloon due August 2, 2032	75.0	75.0
Semi-annual payments of interest, fixed rate of 4.59%, balloon due June 13, 2033	125.0	125.0
Semi-annual payments of interest, fixed rate of 5.29%, balloon due March 13, 2034	40.0	40.0
Semi-annual payments of interest, fixed rate of 4.48%, balloon due June 12, 2034	175.0	175.0
Semi-annual payments of interest, fixed rate of 4.24%, balloon due January 30, 2035	79.0	79.0
Semi-annual payments of interest, fixed rate of 2.44%, balloon due February 10, 2036	100.0	100.0
Semi-annual payments of interest, fixed rate of 2.46%, balloon due May 5, 2036	75.0	75.0
Semi-annual payments of interest, fixed rate of 4.69%, balloon due June 13, 2038	75.0	75.0
Semi-annual payments of interest, fixed rate of 5.45%, balloon due March 13, 2039	40.0	40.0
Semi-annual payments of interest, fixed rate of 4.49%, balloon due January 30, 2040	56.0	56.0
Total Note Purchase Agreements	3,948.0	4,248.0
Credit Agreement:		
Periodic payments of interest and principal, prime or SOFR plus up to 1.375%, expires June 22, 2028	245.0	60.0
Premium Financing Debt Facility - expires October 31, 2025:		
Facility B		
AUD denominated tranche, interbank rates plus 1.500%	249.0	217.6
NZD denominated tranche, interbank rates plus 1.850%	—	—
Facility C and D		
AUD denominated tranche, interbank rates plus 0.830%	31.4	15.2
NZD denominated tranche, interbank rates plus 0.990%	8.6	9.1
Total Premium Financing Debt Facility	289.0	241.9
Total corporate and other debt	8,032.0	6,499.9
Less unamortized debt acquisition costs on Senior Notes and Note Purchase Agreements	(38.4)	(20.6)
Less unamortized discount on Bonds Payable	(28.6)	(14.6)
Net corporate and other debt	\$ 7,965.0	\$ 6,464.7

The Senior Notes in the table above are registered by the company with the Securities and Exchange Commission and are not guaranteed.

Senior Notes - On November 2, 2023, we closed and funded an offering of \$1,000.0 million of unsecured senior notes in two tranches. The \$400.0 million aggregate principal amount of 6.50% Senior Notes is due 2034 (which we refer to as the 2034 Notes) and \$600.0 million aggregate principal amount of 6.75% Senior Notes is due 2054 (which we refer to as the 2054 Notes). The weighted average interest rate is 5.97% per annum after giving effect to underwriting costs and a net hedge gain. During 2021 through 2023, we entered into a pre-issuance interest rate hedging transaction related to these notes. We realized a net cash gain of approximately \$128.0 million on the hedging transactions that will be recognized on a pro rata basis as a decrease to our

reported interest expense over ten years. We used the proceeds of these offerings to fund acquisitions, earnout payments related to acquisitions and general corporate purposes.

On March 2, 2023, we closed and funded an offering of \$950.0 million of unsecured senior notes in two tranches. The \$350.0 million aggregate principal amount of 5.50% Senior Notes is due 2033 (which we refer to as the 2033 Notes) and \$600.0 million aggregate principal amount of 5.75% Senior Notes is due 2053 (which we refer to as the 2053 Notes). The weighted average interest rate is 5.05% per annum after giving effect to underwriting costs and a net hedge gain. During 2019 through 2022, we entered into a pre-issuance interest rate hedging transaction related to these notes. We realized a net cash gain of approximately \$112.7 million on the hedging transactions that will be recognized on a pro rata basis as a decrease to our reported interest expense over ten years. We used the proceeds of these offerings to fund acquisitions, earnout payments related to acquisitions and general corporate purposes.

Note Purchase Agreements - During June 2023, we used operating cash to fund the \$200.0 million Series N note maturity that had a fixed rate of 4.13% that was due June 24, 2023.

During June 2023, we used operating cash to fund the prepayment of the \$50.0 million Series CC note floating rate of 90 day LIBOR plus 1.40%, balloon that was originally due on June 13, 2024.

During February 2023, we used operating cash to fund the \$50.0 million Series E note maturity that had a fixed rate of 5.49% that was due February 10, 2023.

During June 2022, we used operating cash to fund the \$200.0 million Series G note maturity that had a fixed rate of 3.69% that was due June 14, 2023.

Under the terms of the note purchase agreements described above, we may redeem the notes at any time, in whole or in part, at 100% of the principal amount of such notes being redeemed, together with accrued and unpaid interest and a “make-whole amount”. The “make-whole amount” is derived from a net present value computation of the remaining scheduled payments of principal and interest using a discount rate based on the U.S. Treasury yield plus 0.5% and is designed to compensate the purchasers of the notes for their investment risk in the event prevailing interest rates at the time of prepayment are less favorable than the interest rates under the notes. We do not currently intend to prepay any of the notes.

The note purchase agreements described above contain customary provisions for transactions of this type, including representations and warranties regarding us and our subsidiaries and various financial covenants, including covenants that require us to maintain specified financial ratios. We were in compliance with these covenants as of December 31, 2023. The note purchase agreements also provide customary events of default, generally with corresponding grace periods, including, without limitation, payment defaults with respect to the notes, covenant defaults, cross-defaults to other agreements evidencing our or our subsidiaries’ indebtedness, certain judgments against us or our subsidiaries and events of bankruptcy involving us or our material subsidiaries.

The notes issued under the note purchase agreement are senior unsecured obligations of ours and rank equal in right of payment with our Credit Agreement discussed below.

Credit Agreement - On June 22, 2023, we entered into a new Credit agreement (which we refer to as the Credit Agreement) with an administrative agent and a group of other lenders. The Credit Agreement provides for a five-year unsecured revolving credit facility in the amount of \$1,200.0 million (including a \$75.0 million letter of credit sub-facility), which is also available in Pounds Sterling, Canadian Dollars, Australian Dollars, New Zealand Dollars, Euros, Japanese Yen and any other currencies agreed by the lenders. On November 7, 2023, we entered into the First Amendment to the Credit Agreement, pursuant to which we increased the commitments under the Credit Agreement to \$1,700.0 million. The Credit Agreement permits us to designate wholly-owned subsidiaries located in certain jurisdictions as additional borrowers, the obligations of which under the Credit Agreement will be guaranteed by the Company, subject to the terms and conditions set forth in the Credit Agreement. Any subsidiary that guarantees any notes under the Company’s existing note purchase agreements is required to guarantee the obligations under the Credit Agreement. There are currently no subsidiary borrowers or guarantors under the Credit Agreement.

Loans borrowed under the Credit Agreement bear interest at a variable annual rate based on a customary benchmark rate for each available currency including Secured Overnight Financing Rate (which we refer to as SOFR) for loans in U.S. Dollars, or at our election solely for loans in U.S. Dollars, the base rate, plus in each case an applicable margin. Interest rates on base rate loans and outstanding drawings on letters of credit under the Credit Agreement will be based on the Base Rate, as defined in the Credit Agreement, plus a margin of 0.00% to 0.375%, depending on the rating of our long-term senior unsecured debt. Interest rates for

SOFR loans and loans in currencies other than U.S. dollars under the Credit Agreement will be based on, as applicable, a SOFR Daily Floating Rate, Term SOFR, Alternative Currency Daily Rate or Alternative Currency Term Rate, as defined in the Credit Agreement, plus a margin of 0.775% to 1.375%, depending on the rating of our long-term senior unsecured debt. The annual facility fee related to the Credit Agreement is between 0.100% and 0.250% of the revolving credit commitment, depending on the rating of our long-term senior unsecured debt. Subject to certain conditions stated in the Credit Agreement, we may borrow, prepay and reborrow amounts under the Credit Agreement at any time during the term of the Credit Agreement. Funds borrowed under the Credit Agreement may be used for general corporate and working capital purposes of the Company and its subsidiaries.

The Credit Agreement also contains customary representations and warranties and affirmative and negative covenants, including financial covenants, as well as customary events of default, with corresponding grace periods, including without limitations, payment defaults, cross-defaults to other agreements evidencing indebtedness and bankruptcy-related defaults. We were in compliance with these covenants as of December 31, 2023.

Concurrently, on June 22, 2023, we paid off and terminated all of our obligations under the Second Amended and Restated Multicurrency Credit Agreement, dated as of June 7, 2019.

At December 31, 2023, \$11.6 million of letters of credit (for which we had \$13.7 million of liabilities recorded at December 31, 2023) were outstanding under the Credit Agreement. See Note 17 to these consolidated financial statements for a discussion of the letters of credit. There was \$245.0 million of borrowings outstanding under the Credit Agreement at December 31, 2023. Accordingly, at December 31, 2023, \$1,443.4 million remained available for potential borrowings.

Premium Financing Debt Facility - On October 31, 2023, we entered into an amendment to our revolving loan facility (which we refer to as the Premium Financing Debt Facility), that provides funding for the three Australian (AU) and New Zealand (NZ) premium finance subsidiaries. The Premium Financing Debt Facility is comprised of: (i) Facility B is separated into AU\$390.0 million and NZ\$25.0 million tranches (the NZ\$ tranche will be decreased as of May 1, 2024 to NZ\$10.0 million), (ii) Facility C, an AU\$60.0 million equivalent multi-currency overdraft tranche and (iii) Facility D, a NZ\$15.0 million equivalent multi-currency overdraft tranche.

The interest rates on Facility B are Interbank rates, which vary by tranche, duration and currency, plus a margin of 1.500% and 1.850% for the AU\$ and NZ\$ tranches, respectively. The interest rates on Facilities C and D are 30 day Interbank rates, plus a margin of 0.830% and 0.990% for the AU\$ and NZ\$ tranches, respectively. The annual fee for Facility B is 0.675% and 0.8325% for the undrawn commitments for the AU\$ and NZ\$ tranches, respectively. The annual fee for Facility C is 0.77% and for Facility D is 0.90% of the total commitments of the facilities.

The terms of our Premium Financing Debt Facility include various financial covenants, including covenants that require us to maintain specified financial ratios. We were in compliance with these covenants as of December 31, 2023. The Premium Financing Debt Facility also includes customary provisions for transactions of this type, including events of default, with corresponding grace periods and cross-defaults to other agreements evidencing our indebtedness. Facilities B, C and D are secured by the premium finance receivables of the Australian and New Zealand premium finance subsidiaries.

At December 31, 2023, AU\$365.0 million and NZ\$0.0 million of borrowings were outstanding under Facility B, AU\$45.9 million of borrowings outstanding under Facility C and NZ\$13.7 million of borrowings were outstanding under Facility D, which in aggregate amount to US\$289.0 million of borrowings outstanding under the Premium Financing Debt Facility. Accordingly, as of December 31, 2023, AU\$25.0 million and NZ\$25.0 million remained available for potential borrowing under Facility B, and AU\$14.1 million and NZ\$1.3 million under Facilities C and D, respectively.

See Note 17 to these consolidated financial statements for additional discussion on our contractual obligations and commitments as of December 31, 2023.

The aggregate estimated fair value of the \$7,498.0 million in debt under our various senior notes and note purchase agreements at December 31, 2023 was \$6,840.2 million due to the long-term duration and fixed interest rates associated with these debt obligations. No active or observable market exists for our private long-term debt. Therefore, the estimated fair value of this debt is based on the income valuation approach, which is a valuation technique that converts future amounts (for example, cash flows or income and expenses) to a single current (that is, discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts. Because our debt issuances generate a measurable income stream for each lender, the income approach was deemed to be an appropriate methodology for valuing the private placement long-term debt. The methodology used calculated the original deal spread at the time of each debt issuance,

which was equal to the difference between the yield of each issuance (the coupon rate) and the equivalent benchmark treasury yield at that time. The market spread as of the valuation date was calculated, which is equal to the difference between an index for investment grade insurers and the equivalent benchmark treasury yield today. An implied premium or discount to the par value of each debt issuance based on the difference between the origination deal spread and market as of the valuation date was then calculated. The index we relied on to represent investment graded insurers was the Bloomberg Valuation Services (BVAL) U.S. Insurers BBB index. This index is comprised primarily of insurance brokerage firms and was representative of the industry in which we operate. For the purpose of our analysis, the average BBB rate was assumed to be the appropriate borrowing rate for us. The estimated fair value of the \$245.0 million of borrowings outstanding under our Credit Agreement approximate their carrying value due to their short-term duration and variable interest rates. The estimated fair value of the \$289.0 million of borrowings outstanding under our Premium Financing Debt Facility approximates their carrying value due to their short-term duration and variable interest rates.

9. Earnings per Share

The following table sets forth the computation of basic and diluted net earnings per share (in millions, except per share data):

	Year Ended December 31,		
	2023	2022	2021
Net earnings attributable to controlling interests	\$ 969.5	\$ 1,114.2	\$ 906.8
Weighted average number of common shares outstanding	214.9	210.3	202.7
Dilutive effect of stock options using the treasury stock method	4.4	4.4	4.6
Weighted average number of common and common equivalent shares outstanding	219.3	214.7	207.3
Basic net earnings per share	\$ 4.51	\$ 5.30	\$ 4.47
Diluted net earnings per share	\$ 4.42	\$ 5.19	\$ 4.37

Anti-dilutive stock-based awards of 0.9 million, 2.0 million and 1.3 million shares were outstanding at December 31, 2023, 2022 and 2021, respectively, but were excluded in the computation of the dilutive effect of stock-based awards for the year then ended. These stock-based awards were excluded from the computation because the exercise prices on these stock-based awards were greater than the average market price of our common shares during the respective period, and therefore, would be anti-dilutive to earnings per share under the treasury stock method.

10. Stock Option Plans

On May 10, 2022, our stockholders approved the Arthur J. Gallagher & Co. 2022 Long-Term Incentive Plan (which we refer to as the LTIP), which replaced our previous stockholder-approved Arthur J. Gallagher & Co. 2017 Long-Term Incentive Plan (which we refer to as the 2017 LTIP). The LTIP term began May 10, 2022 and terminates on the date of the annual meeting of stockholders in 2032, unless terminated earlier by our board of directors. All of our officers, employees and non-employee directors are eligible to receive awards under the LTIP. The compensation committee of our board of directors determines the annual number of shares delivered under the LTIP. The LTIP provides for non-qualified and incentive stock options, stock appreciation rights, restricted stock and restricted stock units, any or all of which may be made contingent upon the achievement of performance criteria.

Shares of our common stock available for issuance under the LTIP include authorized and unissued shares of common stock or authorized and issued shares of common stock reacquired and held as treasury shares or otherwise, or a combination thereof. The number of available shares will be reduced by the aggregate number of shares that become subject to outstanding awards granted under the LTIP. A maximum of 3.5 million shares issued for full value awards (i.e., awards other than stock options or stock appreciation rights) will be counted one-for-one against the 13.5 million share pool, and every share subject to a full value award in excess of such limit will be counted as 3.8 shares against the pool. To the extent that shares subject to an outstanding award granted under either the LTIP or prior equity plans are not issued or delivered by reason of the expiration, termination, cancellation or forfeiture of such award or by reason of the settlement of such award in cash, then such shares will again be available for grant under the LTIP.

The maximum number of shares available under the LTIP for restricted stock, restricted stock unit awards and performance unit awards settled with stock (i.e., all awards other than stock options and stock appreciation rights) is 2.8 million as of December 31, 2023.

The LTIP provides for the grant of stock options, which may be either tax-qualified incentive stock options or non-qualified options and stock appreciation rights. The compensation committee determines the period for the exercise of a non-qualified stock option, tax-qualified incentive stock option or stock appreciation right, provided that no option can be exercised later than seven years after its date of grant. The exercise price of a non-qualified stock option or tax-qualified incentive stock option and the base price of a stock appreciation right cannot be less than 100% of the fair market value of a share of our common stock on the date of grant, provided that the base price of a stock appreciation right granted in tandem with an option will be the exercise price of the related option.

Upon exercise, the option exercise price may be paid in cash, by the delivery of previously owned shares of our common stock, through a net-exercise arrangement, or through a broker-assisted cashless exercise arrangement. The compensation committee determines all of the terms relating to the exercise, cancellation or other disposition of an option or stock appreciation right upon a termination of employment, whether by reason of disability, retirement, death or any other reason. Stock option and stock appreciation right awards under the LTIP are non-transferable.

On March 15, 2023, the compensation committee granted 1,131,000 options under the LTIP to our officers and key employees that become exercisable at the rate of 34%, 33% and 33% on the anniversary date of the grant in 2026, 2027 and 2028, respectively. On February 1, 2022 and March 15, 2022, the compensation committee granted 1,197,000 and 1,141,000 options, respectively, under the 2017 LTIP to our officers and key employees that become exercisable at the rate of 34%, 33% and 33% on the anniversary date of the grant in 2025, 2026, and 2027, respectively. On March 16, 2021, the compensation committee granted 1,640,000 options under the 2017 LTIP to our officers and key employees that become exercisable at the rate of 34%, 33% and 33% on the anniversary date of the grant in 2024, 2025 and 2026, respectively.

The 2023, 2022 and 2021 options expire seven years from the date of grant, or earlier in the event of certain terminations of employment. For our executive officers age 55 or older, stock options awarded in 2023, 2022 and 2021 are not subject to forfeiture upon such officers' departure from the company after two years from the date of grant.

Our stock option plans provide for the immediate vesting of all outstanding stock option grants in the event of a change in control of our company, as defined in the applicable plan documents.

During 2023, 2022 and 2021, we recognized \$33.5 million, \$27.9 million and \$17.5 million, respectively, of compensation expense related to our stock option grants.

For purposes of expense recognition in 2023, 2022 and 2021, the estimated fair values of the stock option grants are amortized to expense over the options' vesting period. We estimated the fair value of stock options at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	Year Ended December 31,		
	2023	2022	2021
Expected dividend yield	1.2 %	1.3 %	1.5 %
Expected risk-free interest rate	3.6 %	1.9 %	0.9 %
Volatility	25.0 %	23.1 %	22.9 %
Expected life (in years)	5.5	5.4	5.4

Option valuation models require the input of highly subjective assumptions including the expected stock price volatility. The Black-Scholes option pricing model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. The weighted average fair value per option for all options granted during 2023, 2022 and 2021, as determined on the grant date using the Black-Scholes option pricing model, was \$46.48, \$33.25 and \$23.38, respectively.

The following is a summary of our stock option activity and related information for 2023 and 2022 (in millions, except exercise price and year data):

	Shares Under Option	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Year Ended December 31, 2023				
Beginning balance	8.3	\$ 107.47		
Granted	1.2	177.78		
Exercised	(1.3)	62.33		
Forfeited or canceled	(0.3)	143.78		
Ending balance	7.9	\$ 123.85	3.97	\$ 793.9
Exercisable at end of year	1.8	\$ 73.04	1.63	\$ 266.4
Ending unvested and expected to vest	5.7	\$ 137.02	4.60	\$ 497.2
Year Ended December 31, 2022				
Beginning balance	7.5	\$ 81.30		
Granted	2.4	157.74		
Exercised	(1.4)	53.53		
Forfeited or canceled	(0.2)	109.10		
Ending balance	8.3	\$ 107.47	4.18	\$ 668.9
Exercisable at end of year	1.8	\$ 61.11	1.56	\$ 230.8
Ending unvested and expected to vest	5.9	\$ 118.80	4.86	\$ 413.2

Options with respect to 12.2 million shares (less any shares of restricted stock issued under the LTIP - see Note 12 to these consolidated financial statements) were available for grant under the LTIP at December 31, 2023.

The total intrinsic value of options exercised during 2023, 2022 and 2021 amounted to \$181.6 million, \$168.2 million and \$127.4 million, respectively. As of December 31, 2023, we had approximately \$106.6 million of total unrecognized compensation expense related to nonvested options. We expect to recognize that cost over a weighted average period of approximately four years.

Other information regarding stock options outstanding and exercisable at December 31, 2023 is summarized as follows (in millions, except exercise price and year data):

Range of Exercise Prices				Options Outstanding			Options Exercisable		
				Number Outstanding	Weighted Average Remaining Contractual Term (in years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price	
\$ 55.94	\$ —	\$ 56.86	\$ 0.4	\$ 0.21	\$ 56.86	\$ 0.4	\$ 56.86		
70.74	—	70.74	0.6	1.21	70.74	0.6	70.74		
79.59	—	79.59	0.8	2.20	79.59	0.5	79.59		
86.17	—	86.17	1.3	3.20	86.17	0.3	86.17		
127.90	—	127.90	1.5	4.21	127.90	—	—		
156.85	—	156.85	1.0	5.09	156.85	—	—		
158.56	—	161.14	1.1	5.21	158.65	—	—		
177.09	—	202.13	1.2	6.21	177.78	—	—		
\$ 55.94	\$ —	\$ 202.13	\$ 7.9	\$ 3.97	\$ 123.85	\$ 1.8	\$ 73.04		

11. Deferred Compensation

We have a Deferred Equity Participation Plan, (which we refer to as the DEPP), which is a non-qualified plan that generally provides for distributions to certain of our key executives when they reach age 62 (or the one-year anniversary of the date of the grant for participants over the age of 61 as of the grant date) or upon or after their actual retirement if later. Under the provisions of the DEPP, we typically contribute cash in an amount approved by the compensation committee to a rabbi trust on behalf of the executives participating in the DEPP, and instruct the trustee to acquire a specified number of shares of our common stock on the open market or in privately negotiated transactions based on participant elections. Distributions under the DEPP may not normally be made until the participant reaches age 62 (or the one-year anniversary of the date of the grant for participants over the age of 61 as of the grant date) and are subject to forfeiture in the event of voluntary termination of employment prior to then. DEPP awards are generally made annually in the first quarter. In addition, we annually make awards under sub-plans of the DEPP for certain production staff, which generally provide for vesting and/or distributions no sooner than five years from the date of awards, although certain awards vest and/or distribute after the earlier of fifteen years or the participant reaching age 65. All contributions to the plan (including sub-plans) deemed to be invested in shares of our common stock are distributed in the form of our common stock and all other distributions are paid in cash.

Our common stock that is issued to or purchased by the rabbi trust as a contribution under the DEPP is valued at historical cost, which equals its fair market value at the date of grant or date of purchase. When common stock is issued, we record an unearned deferred compensation obligation as a reduction of capital in excess of par value in the accompanying consolidated balance sheet, which is amortized to compensation expense ratably over the vesting period of the participants. Future changes in the fair market value of our common stock owed to the participants do not have any impact on the amounts recorded in our consolidated financial statements.

In the first quarter of each of 2023, 2022 and 2021, the compensation committee approved \$25.1 million, \$26.3 million and \$17.0 million, respectively, of awards in the aggregate to certain key executives under the DEPP that were contributed to the rabbi trust in the first quarters of 2023, 2022 and 2021, respectively. We contributed cash to the rabbi trust and instructed the trustee to acquire a specified number of shares of our common stock on the open market to fund these 2023, 2022 and 2021 awards. During 2023, 2022 and 2021, we charged \$21.7 million, \$18.5 million and \$14.1 million, respectively, to compensation expense related to these awards.

In 2023, 2022 and 2021, the compensation committee approved \$3.0 million, \$1.9 million and \$3.2 million, respectively, of awards under the sub-plans referred to above, which were contributed to the rabbi trust in first quarter 2023, 2022 and 2021, respectively. During 2023, 2022 and 2021, we charged \$2.6 million, \$2.3 million and \$2.3 million, respectively, to compensation expense related to these awards. There were \$13.8 million of distributions from the sub-plans during 2023. There were no distributions from the sub-plans during 2022.

At December 31, 2023 and 2022, we recorded \$81.1 million (related to 2.2 million shares) and \$77.7 million (related to 2.5 million shares), respectively, of unearned deferred compensation as a reduction of capital in excess of par value in the accompanying consolidated balance sheet. The total intrinsic value of our unvested equity based awards under the plan at December 31, 2023 and 2022 was \$504.9 million and \$478.7 million, respectively. During 2023, 2022 and 2021, cash and equity awards with an aggregate fair value of \$78.1 million, \$45.6 million and \$19.1 million, respectively, were vested and distributed to executives under the DEPP.

We have a Deferred Cash Participation Plan (which we refer to as the DCP), which is a non-qualified deferred compensation plan for certain key employees, other than executive officers, that generally provides for vesting and/or distributions no sooner than five years from the date of awards. Under the provisions of the DCP, we typically contribute cash in an amount approved by the compensation committee to the rabbi trust on behalf of the executives participating in the DCP, and instruct the trustee to acquire a specified number of shares of our common stock on the open market or in privately negotiated transactions based on participant elections. In the first quarter of each of 2023, 2022 and 2021, the compensation committee approved \$9.8 million, \$8.3 million and \$7.2 million, respectively, of awards in the aggregate to certain key executives under the DCP that were contributed to the rabbi trust in second quarters of 2023, 2022 and 2021, respectively. During 2023, 2022 and 2021 we charged \$17.3 million, \$13.4 million and \$9.6 million to compensation expense related to these awards. There were \$23.2 million, \$16.9 million and \$6.7 million of distributions from the DCP during 2023, 2022 and 2021, respectively.

12. Restricted Stock, Performance Share and Cash Awards

Restricted Stock Awards

As discussed in Note 10 to these consolidated financial statements, on May 10, 2022, our stockholders approved the LTIP, which replaced our previous stockholder-approved 2017 LTIP. The LTIP provides for the grant of a stock award either as restricted stock or as restricted stock units to officers, employees and non-employee directors. In either case, the compensation committee may determine that the award will be subject to the attainment of performance measures over an established performance period. Stock awards and the related dividend equivalents are non-transferable and subject to forfeiture if the holder does not remain continuously employed with us during the applicable restriction period or, in the case of a performance-based award, if applicable performance measures are not attained. The compensation committee will determine all of the terms relating to the satisfaction of performance measures and the termination of a restriction period, or the forfeiture and cancellation of a restricted stock award upon a termination of employment, whether by reason of disability, retirement, death or any other reason.

The agreements awarding restricted stock units under the LTIP will specify whether such awards may be settled in shares of our common stock, cash or a combination of shares and cash and whether the holder will be entitled to receive dividend equivalents, on a current or deferred basis, with respect to such award. Prior to the settlement of a restricted stock unit, the holder of a restricted stock unit will have no rights as a stockholder of the company. The maximum number of shares available under the LTIP for restricted stock, restricted stock units and performance unit awards settled with stock (i.e., all awards other than stock options and stock appreciation rights) is 4.0 million. At December 31, 2023, 2.8 million shares were available for grant under the LTIP for such awards.

In 2023, 2022 and 2021, we granted 396,913, 650,355 and 326,584 restricted stock units, respectively, to employees under the LTIP and 2017 LTIP, with an aggregate fair value of \$67.0 million, \$99.4 million and \$40.1 million, respectively, at the date of grant.

The 2023, 2022 and 2021 restricted stock units vest as follows: 390,000 units granted in first quarter 2023, 641,000 units granted in first quarter 2022 and 314,000 units granted in first quarter 2021 vest in full based on continued employment through March 15, 2028, March 15, 2027 and March 16, 2026, respectively, while the other 2023, 2022 and 2021 restricted stock unit awards generally vest in full based on continued employment through the vesting period on the anniversary date of the grant. For our executive officers age 55 or older, restricted stock units awarded in 2023, 2022 and 2021 are not subject to forfeiture upon such officers' departure from the company after two years from the date of grant.

The vesting periods of the 2023, 2022 and 2021 restricted stock unit awards are as follows (in actual shares):

Vesting Period	Restricted Stock Units Granted		
	2023	2022	2021
One year	7,360	9,270	10,105
Two years	—	—	2,105
Five years	389,553	641,085	314,374
Total shares granted	<u>396,913</u>	<u>650,355</u>	<u>326,584</u>

We account for restricted stock awards at historical cost, which equals its fair market value at the date of grant, which is amortized to compensation expense ratably over the vesting period of the participants. Future changes in the fair value of our common stock that is owed to the participants do not have any impact on the amounts recorded in our consolidated financial statements. During 2023, 2022 and 2021, we charged \$43.4 million, \$36.4 million and \$26.7 million, respectively, to compensation expense related to restricted stock awards granted in 2016 through 2022. The total intrinsic value of unvested restricted stock at December 31, 2023 and 2022 was \$468.5 million and \$401.3 million, respectively. During 2023 and 2022, equity awards (including accrued dividends) with an aggregate fair value of \$62.2 million and \$62.0 million were vested and distributed to employees under this plan.

Performance Share Awards

On March 15, 2023, March 15, 2022 and March 16, 2021, pursuant to the LTIP and 2017 LTIP, the compensation committee approved 58,000, 54,000 and 67,000, respectively of provisional performance share awards, with an aggregate fair value of \$10.3 million, \$8.6 million and \$8.6 million, respectively, for future grants to our officers. Each performance unit award was equivalent to the value of one share of our common stock on the date such provisional award was approved. At the end of the performance period, eligible participants will receive a number of earned shares based on the growth in adjusted EBITDAC per share (as defined in the 2023 Proxy Statement). Earned shares for the 2023, 2022 and 2021 provisional awards will fully vest

based on continuous employment through March 15, 2026, March 15, 2025 and March 16, 2024, respectively, and will be settled in unrestricted shares of our common stock on a one-for-one basis as soon as practicable thereafter. The 2023, 2022 and 2021 awards are subject to a three-year performance period that begins on January 1, 2023, 2022 and 2021, respectively, and vest on the three-year anniversary of the date of grant (March 15, 2026, March 15, 2025 and March 16, 2024). For certain of our executive officers age 55 or older, awards granted are no longer subject to forfeiture upon such officers' departure from the company after two years from the date of grant. During 2023, 2022 and 2021, we recognized \$20.0 million, \$15.2 million and \$15.9 million, respectively, to compensation expense related to performance share awards granted in 2019 through 2023. The total intrinsic value of unvested performance share awards at December 31, 2023 and 2022 was \$75.2 million and \$62.7 million. During 2023, 2022 and 2021, equity awards (including accrued dividends) with an aggregate fair value of \$28.9 million, \$21.8 million and \$19.1 million were vested and distributed to employees under this plan.

Cash Awards

The Performance Unit Program (which we refer to as the Program), consists of a one-year performance period based on our financial performance and a three-year vesting period measured from January 1 of the year of grant. At the discretion of the compensation committee and determined based on our performance, the eligible officer or key employee will be granted a percentage of the provisional cash award units that equates to the EBITDAC growth achieved (as defined in the Program). At the end of the performance period, eligible participants will be granted a number of units based on achievement of the performance goal and subject to approval by the compensation committee. Granted units will fully vest based on continuous employment through the three-year vesting period. The ultimate award value will be equal to the trailing twelve-month price of our common stock, multiplied by the number of units subject to the award, but limited to between 0.5 and 1.5 times the original value of the units determined as of the grant date. The fair value of the awarded units will be paid out in cash as soon as practicable. If an eligible employee leaves us prior to the vesting date, the entire award will be forfeited. Pursuant to the Program, there were no units granted in 2023.

On March 15, 2022, pursuant to the Program, the compensation committee approved provisional cash awards of \$19.9 million in the aggregate for future grants to our officers and key employees that are denominated in units (125,000 units in the aggregate), each of which was equivalent to the value of one share of our common stock on the date the provisional award was approved. Based on our performance for 2022, we granted 122,000 units under the Program in first quarter 2023 that will fully vest on January 1, 2025. During 2023 we charged \$13.4 million to compensation expense related to these awards. We did not recognize any compensation expense during 2022 related to the 2022 provisional award under the Program.

On March 16, 2021, pursuant to the Program, the compensation committee approved provisional cash awards of \$18.8 million in the aggregate for future grants to our officers and key employees that are denominated in units (147,000 units in the aggregate), each of which was equivalent to the value of one share of our common stock on the date the provisional award was approved. Based on our performance for 2021, we granted 143,000 units under the Program in first quarter 2022 that will fully vest on January 1, 2024. During 2023 and 2022 we charged \$13.1 million and \$12.4 million, respectively, to compensation expense related to these awards. We did not recognize any compensation expense during 2021 related to the 2021 provisional award under the Program.

On March 12, 2020, pursuant to the Program, the compensation committee approved provisional cash awards of \$18.4 million in the aggregate for future grants to our officers and key employees that are denominated in units (213,000 units in the aggregate), each of which was equivalent to the value of one share of our common stock on the date the provisional award was approved. Based on our performance for 2020, we granted 208,000 units under the Program in first quarter 2021 that fully vested on January 1, 2023. During 2022 and 2021, we charged \$12.1 million and \$12.6 million to compensation expense related to these awards. We did not recognize any compensation expense during 2020 related to the 2020 provisional award under the Program.

On March 14, 2019, pursuant to the Program, the compensation committee approved provisional cash awards of \$16.5 million in the aggregate for future grants to our officers and key employees that are denominated in units (206,800 units in the aggregate), each of which was equivalent to the value of one share of our common stock on the date the provisional award was approved. Based on our performance for 2019, we granted 200,000 units under the Program in first quarter 2020 that fully vested on January 1, 2022. During 2021 and 2020, we charged \$11.5 million and \$10.6 million, respectively, to compensation expense related to these awards. We did not recognize any compensation expense during 2019 related to the 2019 provisional award under the Program.

During 2023, cash awards related to the 2020 provisional awards with an aggregate fair value of \$24.7 million (191,000 units in the aggregate) were vested and distributed to employees under the Program. During 2022, cash awards related to the 2019 provisional awards with an aggregate fair value of \$21.1 million (177,000 units in the aggregate) were vested and distributed to

employees under the Program. During 2021, cash awards related to the 2018 provisional awards with an aggregate fair value of \$17.7 million (176,300 units in the aggregate) were vested and distributed to employees under the Program.

13. Retirement Plans

We have a noncontributory defined benefit pension plan that, prior to July 1, 2005, covered substantially all of our domestic employees who had attained a specified age and one year of employment. Benefits under the plan were based on years of service and salary history. In 2005, we amended our defined benefit pension plan to freeze the accrual of future benefits for all U.S. employees, effective on July 1, 2005. Since the plan is frozen, there is no difference between the projected benefit obligation and accumulated benefit obligation at December 31, 2023 and 2022. In the table below, the service cost component represents plan administration costs that are incurred directly by the plan. A reconciliation of the beginning and ending balances of the pension benefit obligation and fair value of plan assets and the funded status of the plan is as follows (in millions):

	Year Ended December 31,	
	2023	2022
Change in pension benefit obligation:		
Benefit obligation at beginning of year	\$ 211.9	\$ 279.4
Service cost	3.3	0.5
Interest cost	10.7	6.8
Net actuarial loss (gain)	8.8	(58.7)
Benefits paid	(18.7)	(16.1)
Benefit obligation at end of year	<u>\$ 216.0</u>	<u>\$ 211.9</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	\$ 212.5	\$ 282.3
Actual (loss) return on plan assets	35.1	(53.7)
Contributions by the company	—	—
Benefits paid	(18.7)	(16.1)
Fair value of plan assets at end of year	<u>\$ 228.9</u>	<u>\$ 212.5</u>
Funded status of the plan (underfunded)	<u>\$ 12.9</u>	<u>\$ 0.6</u>
Amounts recognized in the consolidated balance sheet consist of:		
Noncurrent assets - accrued benefit liability	\$ 12.9	\$ 0.6
Accumulated other comprehensive income	37.3	54.2
Net amount included in retained earnings	<u>\$ 50.2</u>	<u>\$ 54.8</u>

The components of the net periodic pension benefit cost for the plan and other changes in plan assets and obligations recognized in earnings and other comprehensive earnings consist of the following (in millions):

	Year Ended December 31,		
	2023	2022	2021
Net periodic pension cost:			
Service cost	\$ 3.3	\$ 0.5	\$ 0.5
Interest cost on benefit obligation	10.7	6.8	6.4
Expected return on plan assets	(14.2)	(19.1)	(17.7)
Amortization of net loss	4.9	2.4	5.9
Net periodic benefit income	<u>4.7</u>	<u>(9.4)</u>	<u>(4.9)</u>
Other changes in plan assets and obligations recognized in other comprehensive earnings:			
Net loss (gain) incurred	(12.0)	14.1	(19.9)
Amortization of net loss	(4.9)	(2.4)	(5.9)
Total recognized in other comprehensive income (loss)	<u>(16.9)</u>	<u>11.7</u>	<u>(25.8)</u>
Total recognized in net periodic pension cost and other comprehensive income (loss)	<u>\$ (12.2)</u>	<u>\$ 2.3</u>	<u>\$ (30.7)</u>

The following weighted average assumptions were used at December 31 in determining the plan's pension benefit obligation:

	December 31,	
	2023	2022
Discount rate	4.75 %	5.25 %
Weighted average expected long-term rate of return on plan assets	7.00 %	7.00 %

The following weighted average assumptions were used at January 1 in determining the plan's net periodic pension benefit cost:

	Year Ended December 31,		
	2023	2022	2021
Discount rate	5.25 %	2.50 %	2.25 %
Weighted average expected long-term rate of return on plan assets	7.00 %	7.00 %	7.00 %

The following benefit payments are expected to be paid by the plan (in millions):

2024	\$ 20.2
2025	17.4
2026	17.4
2027	17.4
2028	17.2
2029 to 2033	80.0

The following is a summary of the plan's weighted average asset at December 31 by asset category:

Asset Category	December 31,	
	2023	2022
Equity securities	61.0 %	62.0 %
Debt securities	32.0 %	31.0 %
Real estate	7.0 %	7.0 %
Total	100.0 %	100.0 %

Plan assets are invested in various pooled separate accounts under annuity contracts managed by two life underwriting enterprises. The plan's investment policy provides that investments will be allocated in a manner designed to provide a long-term investment return greater than the actuarial assumptions, maximize investment return commensurate with risk and to comply with the Employee Income Retirement Security Act of 1974, as amended (which we refer to as ERISA), by investing the funds in a manner consistent with ERISA's fiduciary standards. The weighted average expected long-term rate of return on plan assets assumption was determined based on a review of the asset allocation strategy of the plan using expected ten-year return assumptions for all of the asset classes in which the plan was invested at December 31, 2023 and 2022. The return assumptions used in the valuation were based on data provided by the plan's external investment advisors.

The following is a summary of the plan's assets carried at fair value as of December 31 by level within the fair value hierarchy (in millions):

Fair Value Hierarchy	December 31,	
	2023	2022
Level 1	\$ —	\$ —
Level 2	120.3	112.9
Level 3	108.6	99.6
Total fair value	\$ 228.9	\$ 212.5

The plan's Level 2 assets consist of ownership interests in various pooled separate accounts within a life insurance carrier's group annuity contract. The fair value of the pooled separate accounts is determined based on the net asset value of the respective funds, which is obtained from the underwriting enterprise and determined each business day with issuances and redemptions of units of the funds made based on the net asset value per unit as determined on the valuation date. We have not adjusted the net asset values provided by the underwriting enterprise. There are no restrictions as to the plan's ability to redeem its investment at the net asset value of the respective funds as of the reporting date. The plan's Level 3 assets consist of pooled separate accounts within another life insurance carrier's annuity contracts for which fair value has been determined by an

independent valuation. Due to the nature of these annuity contracts, our management makes assumptions to determine how a market participant would price these Level 3 assets. In determining fair value, the future cash flows to be generated by the annuity contracts were estimated using the underlying benefit provisions specified in each contract, market participant assumptions and various actuarial and financial models. These cash flows were then discounted to present value using a risk-adjusted rate that takes into consideration market based rates of return and probability-weighted present values.

The following is a reconciliation of the beginning and ending balances for the Level 3 assets of the plan measured at fair value (in millions):

	Year Ended December 31,	
	2023	2022
Fair value at January 1	\$ 99.6	\$ 124.2
Settlements	(1.4)	(1.5)
Unrealized (loss) gain	10.4	(23.1)
Fair value at December 31	<u>\$ 108.6</u>	<u>\$ 99.6</u>

We were not required under the IRC to make any minimum contributions to the plan for each of the 2023, 2022 and 2021 plan years. This level of required funding is based on the plan being frozen and the aggregate amount of our historical funding. During 2023, 2022 and 2021 we did not make discretionary contributions to the plan.

Through the acquisition of Buck, we acquired the assets and assumed the liabilities associated with three frozen defined benefit pension plans that provide postretirement benefits to their participants located in the U.S., U.K. and Canada (which we refer to as the Buck Pension Plans). The Buck Pension Plans were amended to freeze benefit plan accruals for all participants (closed to new entrants and existing participants do not accrue any additional benefits) effective December 31, 2014. We comply with the minimum funding requirements in these three countries and will make annual contributions to the Buck Pension Plans consistent with those funding requirements. We recognize the funded status of the Buck Pension Plans, measured as the difference between the fair value of the plan assets and the projected benefit obligation, in the accompanying December 31, 2023 consolidated balance sheet. As of December 31, 2023, the funded/(unfunded) status related to the Buck Pension Plans was \$(21.6) million in the U.S., \$10.8 million in the U.K. and \$(1.3) million in Canada and have been recorded in other noncurrent assets and liabilities.

We also have a qualified contributory savings and thrift 401(k) plan covering the majority of our domestic employees. For eligible employees who have met the plan's age and service requirements to receive matching contributions, we historically have matched 100% of pre-tax and Roth elective deferrals up to a maximum of 5.0% of eligible compensation, subject to federal limits on plan contributions and not in excess of the maximum amount deductible for federal income tax purposes. Beginning in 2021, the amount matched by the company will be discretionary and annually determined by management. Employees must be employed and eligible for the plan on the last day of the plan year to receive a matching contribution, subject to certain exceptions enumerated in the plan document. Matching contributions are subject to a five-year graduated vesting schedule and can be funded in cash or company stock. We expensed (net of plan forfeitures) \$86.0 million, \$73.8 million and \$65.7 million related to the plan in 2023, 2022 and 2021, respectively. During 2021, our board of directors authorized the 5.0% employer matching contributions on eligible compensation to the 401(k) plan for the 2021 plan year to be funded with our common stock, which was funded in February 2022. During 2022, our board of directors authorized the 5.0% employer matching contributions on eligible compensation to the 401(k) plan for the 2022 plan year to be funded with our common stock, which was funded in February 2023. During 2023, our board of directors authorized the 5.0% employer matching contributions on eligible compensation to the 401(k) plan for the 2023 plan year to be funded with our common stock, which is expected to be funded in February 2024.

We also have a nonqualified deferred compensation plan, the Supplemental Savings and Thrift Plan, for certain employees who, due to IRS rules, cannot take full advantage of our matching contributions under the 401(k) plan. The plan permits these employees to annually elect to defer a portion of their compensation until their retirement or a future date. Our matching contributions to this plan (up to a maximum of the lesser of a participant's elective deferral of base salary, annual bonus and commissions or 5.0% of eligible compensation, less matching amounts contributed under the 401(k) plan) are also at the discretion of our board of directors. Matching contributions can be funded in cash or company stock. We expensed \$12.3 million, \$11.0 million and \$8.7 million related to contributions made to a rabbi trust maintained under the plan in 2023, 2022 and 2021, respectively. During 2023, our board of directors authorized the 5.0% employer matching contributions on eligible compensation to the plan for the 2023 plan year to be funded with our common stock, which is expected to be funded in February 2024. The fair value of the assets in the plan's rabbi trust at December 31, 2023 and 2022, including employee contributions and investment earnings, was \$728.4 million and \$578.2 million, respectively, and has been included in other noncurrent assets and the corresponding liability has been included in other noncurrent liabilities in the accompanying consolidated balance sheet.

We also have several foreign benefit plans, the largest of which is a defined contribution plan that provides for us to make contributions of 5.0% of eligible compensation. In addition, the plan allows for voluntary contributions by U.K. employees, which we match 100%, up to a maximum of an additional 5.0% of eligible compensation. Net expense for foreign retirement plans amounted to \$76.7 million, \$62.9 million and \$51.8 million in 2023, 2022 and 2021, respectively.

14. Investments

Chem-Mod LLC - At December 31, 2023, we held a 46.5% controlling interest in Chem-Mod LLC. Chem-Mod LLC possesses the exclusive marketing rights, in the U.S. and Canada, for technologies used to reduce emissions created during the combustion of coal. Prior to 2022, the refined coal production plants discussed below, as well as those owned by other unrelated parties, licensed and used Chem-Mod LLC's proprietary technologies, The Chem-Mod™ Solution, in the production of refined coal. The Chem-Mod™ Solution used a dual injection sorbent system to reduce mercury, sulfur dioxide and other emissions at coal-fired power plants.

We believe that the application of The Chem-Mod™ Solution prior to 2022 qualified for refined coal tax credits under IRC Section 45 when used with refined coal production plants placed in service by December 31, of both 2011 and 2009. Chem-Mod LLC was marketing its technologies principally to coal-fired power plants owned by utility companies, including those utilities that were operating with the IRC Section 45 refined coal production plants in which we hold an investment.

Chem-Mod LLC is determined to be a variable interest entity (which we refer to as a VIE). We are the manager (decision maker) of Chem-Mod LLC and therefore consolidate its operations into our consolidated financial statements. At December 31, 2023, total assets and total liabilities of this VIE included in our consolidated balance sheet were \$0.5 million and \$0.5 million, respectively. At December 31, 2022, total assets and total liabilities of this VIE included in our consolidated balance sheet were \$14.8 million and \$1.1 million, respectively. For 2023, total revenues and expenses were \$0.4 million and \$25.8 million, respectively. For 2022, total revenues and expenses were \$1.0 million and \$5.7 million, respectively. We are under no obligation to fund Chem-Mod's operations in the future.

Chem-Mod International LLC - At December 31, 2023, we held a 31.5% noncontrolling ownership interest in Chem-Mod International LLC. Chem-Mod International LLC has the rights to market The Chem-Mod™ Solution in countries other than the U.S. and Canada. Such marketing activity has been limited to date.

C-Quest Technology LLC and C-Quest Technologies International LLC (which we refer together as C-Quest) - At December 31, 2023, we held a noncontrolling 12% interest in C-Quest's global entities. C-Quest possesses rights, information and technology for the reduction of carbon dioxide emissions created by burning fossil fuels. Thus far, C-Quest's operations have been limited to laboratory testing. C-Quest is determined to be a VIE, but we do not consolidate this investment into our consolidated financial statements because we are not the primary beneficiary or decision maker.

Clean Coal Investments -

- We have investments in limited liability companies that own or have owned 35 refined coal production plants which produce refined coal using proprietary technologies owned by Chem-Mod LLC. We believe the production and sale of refined coal at these plants prior to 2022 was qualified to receive refined coal tax credits under IRC Section 45. The 14 plants placed in service prior to December 31, 2009 were eligible to receive tax credits through 2019 and the 21 plants placed in service prior to December 31, 2011 were eligible to receive tax credits through 2021.
- As of December 31, 2023:
 - We have a noncontrolling interest in one plant, which is owned by a limited liability company (which we refer to as a LLC). We have determined that this LLC is a VIE, for which we are not the primary beneficiary and therefore do not consolidate it. At December 31, 2023, total assets and total liabilities of this VIE were \$34.5 million and \$34.3 million, respectively. For 2023, there were no revenues and \$(0.1) million of expenses for this VIE.
- We and our co-investors each funded our portion of the on-going operations of the limited liability companies in proportion to our investment ownership percentages. Other than our portion of the on-going operational and decommission funding, there are no additional amounts that we are committed to related to funding these investments.

Other Investments - At December 31, 2023, we owned two noncontrolling, minority interests in startup ventures totaling \$7.1 million, four venture capital funds totaling \$3.2 million and five certified low-income housing developments with zero carrying value. The low-income housing developments and real estate entities have been determined to be VIEs, but are not required to be consolidated due to our lack of control over their respective operations. At December 31, 2023, total assets and total liabilities of these VIEs were approximately \$4.4 million and \$0.6 million, respectively.

15. Leases

We have operating leases primarily related to branch facilities, data centers, sales offices, and agent locations, automobiles and office equipment. Many of our leases include both lease (fixed rent payments) and non-lease components (common-area or other maintenance costs) which are accounted for as a single lease component as we have elected the practical expedient to group lease and non-lease components for all leases. Variable lease payments, such as periodically indexed and/or market adjustments, are presented as lease expense in the period in which they are incurred. Since we did not elect the short-term policy election, we record leases of 12 months or less on the balance sheet.

We exclude options to extend or terminate a lease from our recognition as part of our right-of-use assets and lease liabilities until those options are reasonably certain and/or executed. We do not have any material guarantees, options to purchase, or restrictive covenants related to our leases.

As our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at the lease commencement date in determining the present value of the lease payments. We consider qualitative factors including our derived credit rating, notched adjustments for collateralization, lease term, and, if significant, adjustments to our collateralized rate to borrow in the same currency in which the lease is denominated.

The components of lease expense are as follows (in millions):

Lease Components	Statement of Earnings Classification	Year ended December 31, 2023
Operating lease expense	Operating expense	\$ 135.1
Variable lease expense	Operating expense	26.0
Sublease income	Investment income	(1.3)
Total net lease expense		\$ 159.8

Variable lease cost consist primarily of common-area and other maintenance costs for our lease facilities, as well as variable lease payments related to indexed and/or market adjustments. Our sublease income derives primarily from a few office lease arrangements and we have no significant sublease losses.

Supplemental Cash Flow Information Related to Leases (in millions)	Year ended December 31, 2023
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 125.1
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 150.1

We present all noncash transactions related to adjustments to the lease liability or right-of-use asset as noncash transactions. This includes all noncash charges related to any modification or reassessment events triggering remeasurement.

Supplemental balance sheet information related to leases is as follows (in millions, except lease term and discount rate):

Lease Components	Balance Sheet Classification	December 31, 2023
Lease right-of-use assets	Right-of-use assets	\$ 400.3
Other current lease liabilities	Accrued compensation and other current liabilities	84.2
Lease liabilities	Lease liabilities - noncurrent	352.2
Total lease liabilities		\$ 436.4
Weighted-average remaining lease term, years		5.4
Weighted-average discount rate		4.2 %

Maturities of operating lease liabilities for each of the next five years and thereafter are as follows (in millions):

2024	\$ 108.9
2025	100.4
2026	84.0
2027	67.6
2028	50.6
Thereafter	81.8
Total lease payments	493.3
Less interest	(56.9)
Total	\$ 436.4

Our leases have remaining lease terms of 0.1 years to 13.0 years, some of which may include options to extend the leases for up to 10.0 years and some of which may include options to terminate the leases.

As of December 31, 2023, we had \$6.3 million of additional leases that have not yet commenced. These leases will commence in 2024 with lease terms of 1 year to 7.3 years.

16. Derivatives and Hedging Activity

We are exposed to market risks, including changes in foreign currency exchange rates and interest rates. To manage the risk related to these exposures, we enter into various derivative instruments that reduce these risks by creating offsetting exposures. We generally do not enter into derivative transactions for trading or speculative purposes.

Foreign Exchange Risk Management

We are exposed to foreign exchange risk when we earn revenues, pay expenses, or enter into monetary intercompany transfers denominated in a currency that differs from our functional currency, or other transactions that are denominated in a currency other than our functional currency. We use foreign exchange derivatives, typically forward contracts and options, to reduce our overall exposure to the effects of currency fluctuations on cash flows. These exposures are hedged, on average, for less than three years.

Interest Rate Risk Management

We enter into various long-term debt agreements. We use interest rate derivatives, typically swaps, to reduce our exposure to the effects of interest rate fluctuations on the forecasted interest rates for up to three years into the future.

We have not received or pledged any collateral related to derivative arrangements at December 31, 2023.

The notional and fair values of derivatives designated as hedging instruments are as follows at December 31, 2023 and 2022 (in millions):

Instrument	Notional Amount	Derivative Assets		Derivative Liabilities	
		Balance Sheet Classification	Fair Value	Balance Sheet Classification	Fair Value
At December 31, 2023					
Interest rate contracts	\$ 150.0	Other current assets	\$ —	Accrued compensation and other current liabilities	\$ 5.7
		Other noncurrent assets	—	Other noncurrent liabilities	—
Foreign exchange contracts (1)	67.8	Other current assets	3.9	Accrued compensation and other current liabilities	3.9
		Other noncurrent assets	14.2	Other noncurrent liabilities	4.0
Total	<u>\$ 217.8</u>		<u>\$ 18.1</u>		<u>\$ 13.6</u>
At December 31, 2022					
Interest rate contracts	\$ 950.0	Other current assets	\$ 56.5	Accrued compensation and other current liabilities	\$ —
		Other noncurrent assets	56.6	Other noncurrent liabilities	—
Foreign exchange contracts (1)	113.0	Other current assets	0.8	Accrued compensation and other current liabilities	18.5
		Other noncurrent assets	14.5	Other noncurrent liabilities	27.0
Total	<u>\$ 1,063.0</u>		<u>\$ 128.4</u>		<u>\$ 45.5</u>

- (1) Included within foreign exchange contracts at December 31, 2023 were \$331.3 million of call options offset with \$331.3 million of put options, and \$5.5 million of buy forwards offset with \$73.3 million of sell forwards. Included within foreign exchange contracts at December 31, 2022 were \$948.8 million of call options offset with \$948.8 million of put options, and \$12.4 million of buy forwards offset with \$125.4 million of sell forwards.

Fair values of these hedge contracts are based on observable and unobservable inputs. Observable inputs include all of the following: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (for example: interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads) and market-corroborated inputs. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The effect of cash flow hedge accounting on accumulated other comprehensive loss were as follows (in millions):

Instrument	Amount of Gain (Loss) Recognized in Accumulated Other Comprehensive Loss (1)	Amount of Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Earnings	Amount of Gain (Loss) Recognized in Earnings Related to Amount Excluded from Effectiveness Testing	Statement of Earnings Classification
Year ended December 31, 2023				
Interest rate contracts	\$ 63.9	\$ (1.1)	\$ —	Interest expense
Foreign exchange contracts	38.0	1.3	(0.1)	Commission revenue
		(1.9)	1.8	Compensation expense
		(1.4)	1.3	Operating expense
Total	<u>\$ 101.9</u>	<u>\$ (3.1)</u>	<u>\$ 3.0</u>	
Year ended December 31, 2022				
Interest rate contracts	\$ 179.3	\$ (1.2)	\$ —	Interest expense
Foreign exchange contracts	(26.8)	6.3	(0.1)	Commission revenue
		(1.1)	1.9	Compensation expense
		(0.8)	1.4	Operating expense
Total	<u>\$ 152.5</u>	<u>\$ 3.2</u>	<u>\$ 3.2</u>	

- (1) During 2023, the amount excluded from the assessment of hedge effectiveness for our foreign exchange contracts recognized in accumulated other comprehensive loss was a gain of \$0.4 million.

We estimate that approximately \$11.1 million of pretax gain currently included within accumulated other comprehensive income will be reclassified into earnings in the next twelve months.

17. Commitments, Contingencies and Off-Balance Sheet Arrangements

In connection with our investing and operating activities, we have entered into certain contractual obligations and commitments. See Note 8 to these consolidated financial statements for additional discussion of these obligations and commitments. Our future minimum cash payments, including interest, associated with our contractual obligations pursuant to the Senior Notes, Note purchase agreements, Credit Agreement, Premium Financing Debt Facility, operating leases and purchase commitments at December 31, 2023 were as follows (in millions):

Contractual Obligations	Payments Due by Period						Total
	2023	2024	2025	2026	2027	Thereafter	
Senior Notes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,550.0	\$ 3,550.0
Note purchase agreements	425.0	200.0	640.0	478.0	200.0	2,005.0	3,948.0
Credit Agreement	245.0	—	—	—	—	—	245.0
Premium Financing Debt Facility	289.0	—	—	—	—	—	289.0
Interest on debt	311.9	317.9	299.1	280.6	261.3	3,374.8	4,845.6
Total debt obligations	1,270.9	517.9	939.1	758.6	461.3	8,929.8	12,877.6
Operating lease obligations	108.9	100.4	84.0	67.6	50.6	81.8	493.3
Less sublease arrangements	(2.4)	(1.8)	(1.7)	(1.6)	(1.1)	(0.8)	(9.4)
Outstanding purchase obligations	116.5	59.0	24.9	20.2	15.0	47.1	282.7
Total contractual obligations	\$ 1,493.9	\$ 675.5	\$ 1,046.3	\$ 844.8	\$ 525.8	\$ 9,057.9	\$ 13,644.2

The amounts presented in the table above may not necessarily reflect our actual future cash funding requirements, because the actual timing of the future payments made may vary from the stated contractual obligation.

Senior Notes, Note Purchase Agreements, Credit Agreement and Premium Financing Debt Facility - See Note 8 to these consolidated financial statements for a summary the amounts outstanding under the Senior Notes, Note purchase agreements, the Credit Agreement and Premium Financing Debt Facility.

Operating Lease Obligations - Our corporate segment's executive offices and certain subsidiary and branch facilities of our brokerage and risk management segments are located in a building we own at 2850 Golf Road, Rolling Meadows, Illinois, where we have approximately 360,000 square feet of space and can accommodate approximately 2,000 employees. Relating to the development of our corporate headquarters, we expect to receive property tax related credits under a tax-increment financing note from Rolling Meadows and an Illinois state Economic Development for a Growing Economy (which we refer to as EDGE) tax credit. Incentives from these two programs could total between \$50.0 million and \$80.0 million over a fifteen-year period. We have earned approximately \$51.3 million of EDGE credits from inception in 2017 through December 31, 2023.

We generally operate in leased premises at our other locations. Certain of these leases have options permitting renewals for additional periods. In addition to minimum fixed rentals, a number of leases contain annual escalation clauses which are generally related to increases in an inflation index.

Total rent expense, including rent relating to cancelable leases and leases with initial terms of less than one year, amounted to \$183.5 million in 2023, \$176.6 million in 2022 and \$153.4 million in 2021.

We have leased certain office space to several non-affiliated tenants under operating sublease arrangements. In the normal course of business, we expect that certain of these leases will not be renewed or replaced. We adjust charges for real estate taxes and common area maintenance annually based on actual expenses, and we recognize the related revenues in the year in which the expenses are incurred. These amounts are not included in the minimum future rentals to be received in the contractual obligations table above.

Outstanding Purchase Obligations - We typically do not have a material amount of outstanding purchase obligations at any point in time. The amount disclosed in the contractual obligations table above represents the aggregate amount of unrecorded purchase obligations that we had outstanding at December 31, 2023. These obligations represent agreements to purchase goods or services that were executed in the normal course of business.

Off-Balance Sheet Commitments - Our total unrecorded commitments associated with outstanding letters of credit, financial guarantees and funding commitments at December 31, 2023 were as follows (in millions):

Off-Balance Sheet Commitments	Amount of Commitment Expiration by Period						Total Amounts Committed
	2024	2025	2026	2027	2028	Thereafter	
Letters of credit	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 21.2	\$ 21.2
Financial guarantees	2.0	0.2	0.1	0.1	—	—	2.4
Total commitments	\$ 2.0	\$ 0.2	\$ 0.1	\$ 0.1	\$ —	\$ 21.2	\$ 23.6

Since commitments may expire unused, the amounts presented in the table above do not necessarily reflect our actual future cash funding requirements. See the Off-Balance Sheet Debt section below for a discussion of letters of credit. All of the letters of credit represent multiple year commitments that have annual, automatic renewing provisions and are classified by the latest commitment date.

Substantially all of the purchase agreements related to these acquisitions we do contain provisions for potential earnout obligations. For all of our acquisitions made in the period from 2020 to 2023 that contain potential earnout obligations, such obligations are measured at fair value as of the acquisition date and are included on that basis in the recorded purchase price consideration for the respective acquisition. The amounts recorded as earnout payables are primarily based upon estimated future potential operating results of the acquired entities over a two- to three-year period subsequent to the acquisition date. The aggregate amount of the maximum earnout obligations related to these acquisitions was \$2,009.8 million, of which \$1,294.2 million was recorded in our consolidated balance sheet as of December 31, 2023 based on the estimated fair value of the expected future payments to be made, of which approximately \$564.8 million can be settled in cash or stock at our option and \$729.4 million must be settled in cash.

Off-Balance Sheet Debt - Our unconsolidated investment portfolio includes investments in enterprises where our ownership interest is between 1% and 50%, in which management has determined that our level of influence and economic interest is not sufficient to require consolidation. As a result, these investments are accounted for under the equity method. None of these unconsolidated investments had any outstanding debt at December 31, 2023 and 2022 that was recourse to us.

At December 31, 2023, we had posted two letters of credit totaling \$9.3 million in the aggregate, related to our self-insurance deductibles, for which we had a recorded liability of \$13.7 million. We have an equity investment in a rent-a-captive facility, which we use as a placement facility for certain of our insurance brokerage operations. At December 31, 2023, we had posted nine letters of credit totaling \$10.5 million to allow certain of our captive operations to meet minimum statutory surplus requirements plus additional collateral related to premium and claim funds held in a fiduciary capacity, one letter of credit totaling \$0.9 million for collateral related to claim funds held in a fiduciary capacity by a recent acquisition, and one letter of credit totaling \$0.5 million as security deposits for a 2015 acquisition's lease. These letters of credit have never been drawn upon.

Our commitments associated with outstanding letters of credit, financial guarantees and funding commitments at December 31, 2023 were as follows (all dollar amounts in table are in millions):

Description, Purpose and Trigger	Collateral	Compensation to Us	Maximum Exposure	Liability Recorded
Other investments				
Funding commitment to an equity investment - to be funded in 2024	None	None	\$ —	\$ —
Trigger - Agreed conditions met				
Other				
Credit support under letters of credit (LOC) for deductibles due by us on our own insurance coverages - expires after 2028	None	None	9.3	13.7
Trigger - We do not reimburse the insurance companies for deductibles the insurance companies advance on our behalf				
Credit enhancement under letters of credit for our captive insurance operations to meet minimum statutory capital requirements - expires after 2024 and 2028	None	Reimbursement of LOC fees	10.5	—
Trigger - Dissolution or catastrophic financial results of the operation				
Collateral related to claims funds held in a fiduciary capacity by a recent acquisition - expires 2028	None	None	0.9	—
Trigger - Claim payments are not made				
Credit support under letters of credit in lieu of security deposits for one lease from acquisitions - expires after 2028	None	None	0.5	—
Trigger - Lease payments do not get made				
Financial guarantees of loans to 5 Canadian-based employees - expires when loan balances are reduced to zero through May 2029 - Principal and interest are paid quarterly	(1)	None	0.6	—
Trigger - Default on loan payments				
Financial guarantee of external loan to subsidiary in Chile - expires when loan balance is reduced to zero through July 2024 - Principal and interest are paid quarterly	None	None	1.8	—
Trigger - Default on loan payments				
			\$ 23.6	\$ 13.7

(1) The guarantees are collateralized by shares in minority holdings of our Canadian operating companies.

Since commitments may expire unused, the amounts presented in the table above do not necessarily reflect our actual future cash funding requirements.

Litigation, Regulatory and Taxation Matters - We routinely are involved in legal proceedings, claims, disputes, regulatory matters and governmental inspections or investigations arising in the ordinary course of or incidental to our business, including relating to E&O claims and those noted below in this section. We record accruals in the consolidated financial statements for pending litigation when we determine that an unfavorable outcome is probable and the amount of the loss can be reasonably estimated. For the matters we disclose that do not include an estimate of the amount of loss or range of losses, such an estimate is not possible or is immaterial, and we may be unable to estimate the possible loss or range of losses that could potentially result from the application of non-monetary remedies, unless disclosed below. We currently believe that the ultimate outcome of these proceedings, individually and in the aggregate, will not materially harm our financial position, results of operations or cash flows. However, legal proceedings and government investigations are subject to inherent uncertainties, and unfavorable rulings or other adverse events could occur, including the payment of substantial monetary damages or an injunction or other order prohibiting us from selling one or more products at all or in particular ways, precluding particular business practices or requiring other remedies, which may result in a material adverse impact on our business, results of operations or financial position.

During 2022, we received a subpoena from the FCPA Unit of the U.S. Department of Justice seeking information related to our insurance business with public entities in Ecuador. During the fourth quarter of 2023, the DOJ informed us that it had closed its inquiry and would not be pursuing enforcement action against us in connection with this matter.

In July 2019, Midwest Energy Emissions Corp. and MES Inc. (which we refer to together as Midwest Energy) filed a patent infringement lawsuit in the United States District Court for the District of Delaware against us, Chem-Mod LLC and numerous other related and unrelated parties. The complaint alleges that the named defendants indirectly infringed patents held exclusively by Midwest Energy and sought unspecified damages and injunctive relief. During fourth quarter of 2023, we settled this matter for an amount that was not material and without admitting any wrongdoing.

As previously disclosed, our IRC 831(b) (or “micro-captive”) advisory services businesses has been under audit by the IRS since 2013. Among other matters, the IRS is investigating whether we have been acting as a tax shelter promoter in connection with these operations. Additionally, the IRS is conducting a criminal investigation related to IRC 831(b) micro-captive underwriting enterprises. We have been advised that we are not a target of the criminal investigation. We are fully cooperating with both matters.

Contingent Liabilities - We purchase insurance to provide protection from errors and omissions (which we refer to as E&O) claims that may arise during the ordinary course of business. Currently we retain the first \$15.0 million of every E&O claim up to \$15.0 million. In addition, we retain, in aggregate: up to another \$2.0 million between \$15.0 million and \$100.0 million, plus up to another \$10.0 million between \$100.0 million and \$225.0 million, and up to another \$20.0 million between \$225.0 million and \$400.0 million. We have historically maintained self-insurance reserves for the portion of our E&O exposure that is not insured. We periodically determine a range of possible reserve levels using actuarial techniques that rely heavily on projecting historical claim data into the future. Our E&O reserve in the December 31, 2023 consolidated balance sheet is above the lower end of the most recently determined actuarial range by \$6.7 million and below the upper end of the actuarial range by \$6.9 million. We can make no assurances that the historical claim data used to project the current reserve levels will be indicative of future claim activity. Thus, the E&O reserve level and corresponding actuarial range could change in the future as more information becomes known, which could materially impact the amounts reported and disclosed herein.

Tax-advantaged Investments No Longer Held - Between 1996 and 2007, we developed and then sold portions of our ownership in various energy related investments, many of which qualified for tax credits under IRC Section 29. We recorded tax benefits in connection with our ownership in these investments. At December 31, 2023, we had exposure on \$108.0 million of previously earned tax credits. Under the Tax Cuts and Jobs Act (which we refer to as TCJA), a portion of these previously earned tax credits were refunded in 2019 for tax year 2018, according to a specific formula. Under the Coronavirus Act, Relief, and Economic Security Act (the CARES Act), which was passed on March 27, 2020, we accelerated the refund of all remaining credits on April 17, 2020, and the remaining credits were refunded to us in the second quarter of 2020. In 2004, 2007 and 2009, the IRS examined several of these investments and all examinations were closed without any changes being proposed by the IRS. However, any future adverse tax audits, administrative rulings or judicial decisions could disallow previously claimed tax credits.

Due to the contingent nature of this exposure and our related assessment of its likelihood, no reserve has been recorded in our December 31, 2023 consolidated balance sheet related to this exposure.

18. Insurance Operations

We have ownership interests in several underwriting enterprises based in the U.S., Bermuda, Gibraltar, Guernsey and Isle of Man that primarily operate segregated account “rent-a-captive” facilities. These “rent-a-captive” facilities enable our clients to receive the benefits of owning a captive underwriting enterprise without incurring certain disadvantages of ownership. Captive underwriting enterprises, or “rent-a-captive” facilities, are created for clients to insure their risks and capture any underwriting profit and investment income, which would then be available for use by the insureds, generally to reduce future costs of their insurance programs. In general, these companies are set up as protected cell companies that are comprised of separate cell business units (which we refer to as Captive Cells) and the core regulated company (which we refer to as the Core Company). The Core Company is owned and operated by us and no insurance policies are assumed by the Core Company. All insurance is assumed or written within individual Captive Cells. Only the activity of the supporting Core Company of the rent-a-captive facility is recorded in our consolidated financial statements, including cash and stockholder’s equity of the legal entity and any expenses incurred to operate the rent-a-captive facility. Most Captive Cells reinsure individual lines of insurance coverage from external underwriting enterprises. In addition, some Captive Cells offer individual lines of insurance coverage from one of our underwriting enterprise subsidiaries. The different types of insurance coverage include special property, general liability, products liability, medical professional liability, other liability and medical stop loss. The policies are generally claims-made. Insurance policies are written by an underwriting enterprise and the risk is assumed by each of the Captive Cells. In general, we

structure these operations to have no underwriting risk on a net written basis. In situations where we have assumed underwriting risk on a net written basis, we have managed that exposure by obtaining full collateral for the underwriting risk we have assumed from our clients. We typically require pledged assets including cash and/or investment accounts or letters of credit to limit our risk.

We have a wholly owned underwriting enterprise subsidiary based in the U.S. that cedes all of its insurance risk to reinsurers or captives under facultative and quota share treaty reinsurance agreements. This company was established in fourth quarter 2014 and began writing business in December 2014. These reinsurance arrangements diversify our business and minimize our exposure to losses or hazards of an unusual nature. The ceding of insurance does not discharge us of our primary liability to the policyholder. In the event that all or any of the reinsuring companies are unable to meet their obligations, we would be liable for such defaulted amounts. Therefore, we are subject to credit risk with respect to the obligations of our reinsurers or captives. In order to minimize our exposure to losses from reinsurer credit risk and insolvencies, we have managed that exposure by obtaining full collateral for which we typically require pledged assets, including cash and/or investment accounts or letters of credit, to fully offset the risk.

Reconciliations of direct to net premiums, on a written and earned basis, for 2023, 2022 and 2021 related to the wholly-owned underwriting enterprise subsidiary discussed above are as follows (in millions):

	2023		2022		2021	
	Written	Earned	Written	Earned	Written	Earned
Direct	\$ 19.8	\$ 24.8	\$ 24.4	\$ 28.7	\$ 30.9	\$ 35.9
Assumed	—	0.4	0.4	0.2	0.2	0.2
Ceded	(19.8)	(25.2)	(24.8)	(28.9)	(31.1)	(36.1)
Net	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

At December 31, 2023 and 2022, our underwriting enterprise subsidiary had reinsurance recoverables of \$14.4 million and \$20.4 million, respectively, related to liabilities established for ceded unearned premium reserves and loss and loss adjustment expense reserves. These reinsurance recoverables relate to direct and assumed business that has been fully ceded to our reinsurers or captives and have been included in premiums and fees receivables in the accompanying consolidated balance sheet.

19. Income Taxes

We and our principal domestic subsidiaries are included in a consolidated U.S. federal income tax return. Our international subsidiaries file various income tax returns in their jurisdictions. Significant components of earnings before income taxes and the provision for income taxes are as follows (in millions):

	Year Ended December 31,		
	2023	2022	2021
Earnings before income taxes:			
United States	\$ 605.0	\$ 781.6	\$ 593.0
Foreign, principally Australia, Canada, New Zealand and the U.K.	580.1	545.4	382.1
Total earnings before income taxes	<u>\$ 1,185.1</u>	<u>\$ 1,327.0</u>	<u>\$ 975.1</u>
Provision for income taxes:			
Federal:			
Current	\$ (21.4)	\$ 109.1	\$ 44.6
Deferred	112.9	(3.5)	(151.6)
	<u>91.5</u>	<u>105.6</u>	<u>(107.0)</u>
State and local:			
Current	(15.4)	114.3	50.6
Deferred	43.0	(83.5)	(11.6)
	<u>27.6</u>	<u>30.8</u>	<u>39.0</u>
Foreign:			
Current	212.8	196.6	108.8
Deferred	(112.8)	(122.0)	(20.7)
	<u>100.0</u>	<u>74.6</u>	<u>88.1</u>
Total provision for income taxes	<u>\$ 219.1</u>	<u>\$ 211.0</u>	<u>\$ 20.1</u>

A reconciliation of the provision for income taxes with the U.S. federal statutory income tax rate is as follows (in millions, except percentages):

	Year Ended December 31,					
	2023		2022		2021	
	Amount	% of Pretax Earnings	Amount	% of Pretax Earnings	Amount	% of Pretax Earnings
Federal statutory rate	\$ 248.9	21.0	\$ 278.7	21.0	\$ 204.8	21.0
State income taxes - net of federal benefit	49.7	4.2	32.9	2.5	30.7	3.2
Differences related to non U.S. operations	(20.6)	(1.7)	(31.9)	(2.4)	(8.7)	(0.9)
Alternative energy and other tax credits	(7.9)	(0.7)	(6.9)	(0.5)	(199.0)	(20.4)
Other permanent differences	27.6	2.3	22.5	1.7	(3.5)	(0.4)
Stock-based compensation	(76.1)	(6.4)	(59.3)	(4.5)	(40.0)	(4.1)
Changes in unrecognized tax benefits	11.9	1.0	4.0	0.3	0.8	0.1
Change in valuation allowance	3.9	0.3	15.5	1.2	26.4	2.7
Change in tax rates	(18.3)	(1.5)	(44.5)	(3.4)	8.6	0.9
Provision for income taxes	<u>\$ 219.1</u>	<u>\$ 18.5</u>	<u>\$ 211.0</u>	<u>\$ 15.9</u>	<u>\$ 20.1</u>	<u>\$ 2.1</u>

A reconciliation of the beginning and ending balances of the total amounts of gross unrecognized tax benefits is as follows (in millions):

	December 31,	
	2023	2022
Gross unrecognized tax benefits at January 1	\$ 13.4	\$ 11.7
Increases in tax positions for current year	14.6	3.8
Settlements	(2.9)	(1.7)
Lapse in statute of limitations	(3.4)	(1.4)
Increases in tax positions for prior years	3.6	3.1
Decreases in tax positions for prior years	—	(2.1)
Gross unrecognized tax benefits at December 31	<u>\$ 25.3</u>	<u>\$ 13.4</u>

The total amount of net unrecognized tax benefits that, if recognized, would affect the effective tax rate was \$24.5 million and \$12.3 million at December 31, 2023 and 2022, respectively. We accrue interest and penalties related to unrecognized tax benefits in our provision for income taxes. At December 31, 2023 and 2022, we had accrued interest and penalties related to unrecognized tax benefits of \$2.8 million and \$3.4 million, respectively.

We file income tax returns in the U.S. and in various state, local and foreign jurisdictions. We are routinely examined by tax authorities in these jurisdictions. At December 31, 2023, our corporate returns had been examined by the IRS or the statute had lapsed through calendar year 2019. In addition, from 2019 forward, various state and foreign jurisdictions remain open. It is reasonably possible that our gross unrecognized tax benefits may change within the next twelve months. However, we believe any changes in the recorded balance would not have a significant impact on our consolidated financial statements.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of our deferred tax assets and liabilities are as follows (in millions):

	December 31,	
	2023	2022
Deferred tax assets:		
Alternative minimum tax and other credit carryforwards	\$ 867.3	\$ 772.7
Accrued and unfunded compensation and employee benefits	364.4	321.8
Amortizable intangible assets	122.9	69.3
Compensation expense related to stock options	18.3	11.1
Accrued liabilities	129.9	126.6
Accrued pension liability	—	3.1
Investments	1.2	2.6
Net operating loss carryforwards	172.7	129.4
Capital loss carryforwards	8.5	8.1
Other tax attributes	34.7	—
Depreciable fixed assets	13.2	—
Lease liabilities	103.4	96.5
Capitalized indirect property costs	0.2	394.1
Revenue recognition	42.1	—
Other	10.1	4.3
Total deferred tax assets	<u>1,888.9</u>	<u>1,939.6</u>
Valuation allowance for deferred tax assets	(195.8)	(135.2)
Deferred tax assets	<u>1,693.1</u>	<u>1,804.4</u>
Deferred tax liabilities:		
Nondeductible amortizable intangible assets	531.7	433.9
Accrued pension liability	1.7	—
Investment-related partnerships	6.5	6.6
Depreciable fixed assets	—	46.5
Right-of-use assets	95.0	88.6
Hedging instruments	38.2	10.7
Other prepaid items	17.4	11.8
Total deferred tax liabilities	<u>690.5</u>	<u>598.1</u>
Net deferred tax assets	<u>\$ 1,002.6</u>	<u>\$ 1,206.3</u>

At December 31, 2023 and 2022, \$129.6 million and \$92.4 million, respectively, have been included in noncurrent liabilities in the accompanying consolidated balance sheet. General business and other tax credits of \$839.8 million begin to expire, if not utilized, in 2032 and state credits, net of federal benefit, of \$27.5 million expire, if not used, by 2028. Net operating loss carryforwards of \$172.7 million, related to federal, state and foreign begin to expire, if not utilized in 2024. We expect the historically favorable trend in earnings before income taxes to continue in the foreseeable future. Valuation allowances have been established for certain foreign intangible assets (including nondeductible amortization and earnout payable expenses) and various state net operating loss carryforwards that may not be utilized in the future.

There are undistributed earnings of \$632.3 million and \$835.1 million at December 31, 2023 and 2022, respectively, of foreign subsidiaries which are considered permanently invested outside of the U.S. The amount of unrecognized deferred tax liability on these undistributed earnings was not material at December 31, 2023 and 2022. There are only select jurisdictions for which the company regards the undistributed earnings as no longer permanently reinvested. We have recognized the deferred tax liability associated with these undistributed earnings during 2023, however, such liability was also not material.

Current U.S. tax law requires U.S. shareholders to include in income certain “global intangible low-taxed income” (which we refer to as GILTI) beginning in 2018. Our policy is to include the GILTI income in the future period when the tax arises and we recorded income tax expense on such income in 2023, 2022 and 2021. Current U.S. tax law includes the U.S. Base Erosion and Anti-Abuse Tax (which we refer to as BEAT) beginning in 2018. Based on our analysis, we determined that our base erosion payments do not exceed the threshold for applicability for the years in 2023, 2022 and 2021, and we do not currently anticipate any significant long-term impact from the BEAT in our provision for income taxes in future periods.

20. Supplemental Disclosures of Cash Flow Information

Supplemental disclosures of cash flow information (in millions):	Year ended December 31,		
	2023	2022	2021
Interest paid	\$ 270.8	\$ 240.2	\$ 215.7
Income taxes paid, net	225.8	317.6	325.4

The 2023 income taxes paid amount was favorably impacted due to the reversal of tax method changes on filing of the 2022 tax return. In 2022, we elected to defer the utilization of 2021 and 2022 net operating losses in the U.K. causing additional cash tax payments of \$28.4 million relating to 2021 and \$49.0 million relating to 2022. Both the U.S. and U.K. payments would have been made in future periods, and do not represent additional taxes due. In 2021, income taxes paid in the table above were net of AMT credits and \$(28.5) million in 2021 due to the CARES Act. Also in 2021, the income taxes paid amount was unfavorably impacted due to payment of the \$20.0 million of 2020 tax-payment deferrals (as noted in the previous sentence) and also approximately \$106.0 million of tax payments made in 2021 with regards to tax method changes filed with our 2020 tax returns in the fourth quarter of 2021. Those U.S. federal method changes also affected our 2022 and 2021 estimated tax payments made in 2022 and 2021.

The following is a reconciliation of our end of period cash, cash equivalents, restricted cash and fiduciary cash balances as presented in the consolidated statement of cash flows for the years ended December 31, 2023, 2022 and 2021 (in millions):

	December 31,		
	2023	2022	2021
Cash and cash equivalents - non-restricted cash	\$ 780.9	\$ 539.4	\$ 730.8
Cash and cash equivalents - restricted cash	190.6	199.0	136.9
Total cash and cash equivalents	\$ 971.5	\$ 738.4	\$ 867.7
Fiduciary cash	5,571.8	4,225.8	3,598.6
Total cash, cash equivalents, restricted cash and fiduciary cash	\$ 6,543.3	\$ 4,964.2	\$ 4,466.3

We have a qualified contributory savings and thrift 401(k) plan covering the majority of our domestic employees. For eligible employees who have met the plan's age and service requirements to receive matching contributions, we historically have matched 100% of pre-tax and Roth elective deferrals up to a maximum of 5.0% of eligible compensation, subject to federal limits on plan contributions and not in excess of the maximum amount deductible for federal income tax purposes. Beginning in 2021, the amount matched by the company will be discretionary and annually determined by management. Employees must be employed and eligible for the plan on the last day of the plan year to receive a matching contribution, subject to certain exceptions enumerated in the plan document. Matching contributions are subject to a five-year graduated vesting schedule and can be funded in cash or company stock. We expensed (net of plan forfeitures) \$86.0 million, \$73.8 million and \$65.7 million related to the plan in 2023, 2022 and 2021, respectively. During 2022, our board of directors authorized the 5.0% employer matching contributions on eligible compensation to the 401(k) plan for the 2022 plan year to be funded with our common stock, which was funded in February 2023. During 2023, our board of directors authorized the 5.0% employer matching contributions on eligible compensation to the 401(k) plan for the 2023 plan year to be funded with our common stock, which is expected to be funded in February 2024.

21. Accumulated Other Comprehensive Loss

The after-tax components of our accumulated comprehensive loss attributable to controlling interests consist of the following (in millions):

	Pension Liability	Foreign Currency Translation	Fair Value of Derivative Instruments	Accumulated Comprehensive Loss
Balance as of January 1, 2021	\$ (56.1)	\$ (491.1)	\$ (96.4)	\$ (643.6)
Net change in period	19.0	(122.3)	20.8	(82.5)
Balance as of December 31, 2021	(37.1)	(613.4)	(75.6)	(726.1)
Net change in period	(12.3)	(511.8)	109.8	(414.3)
Balance as of December 31, 2022	(49.4)	(1,125.2)	34.2	(1,140.4)
Net change in period	12.3	257.8	78.2	348.3
Balance as of December 31, 2023	<u>\$ (37.1)</u>	<u>\$ (867.4)</u>	<u>\$ 112.4</u>	<u>\$ (792.1)</u>

The foreign currency translation in 2023, 2022 and 2021 relates to the net impact of changes in the value of the local currencies relative to the U.S. dollar for our operations in Australia, Canada, the Caribbean, India, New Zealand, the U.K. and other non-U.S. locations. The reporting currency for our financial statements is the U.S. dollar. Certain of our assets, liabilities, expenses and revenues are denominated in currencies other than the U.S. dollar, primarily the Australian dollar, British pound, Canadian dollar, and New Zealand dollar. To prepare our consolidated financial statements, we must translate those assets, liabilities, expenses and revenues into U.S. dollars at the applicable exchange rates. Assets and liabilities of non-U.S. dollar functional currency operations are translated into U.S. dollars at end-of-period exchange rates while revenues, expenses and cash flows are translated at average monthly exchange rates over the period. Equity is translated at historical exchange rates and the resulting cumulative translation adjustments are included as a component of accumulated other comprehensive loss in the consolidated balance sheet. The net change in the foreign currency translation during 2023 primarily relates to goodwill (see Note 7 to these consolidated financial statements for the impact on goodwill) and amortizable intangible assets held by operations with a non-U.S. dollar functional currency.

During 2023, 2022 and 2021, \$5.2 million, \$2.2 million and \$5.8 million, respectively, of expense related to the pension liability was reclassified from accumulated other comprehensive loss to compensation expense in the statement of earnings. During 2023, 2022 and 2021, \$3.1 million of expense, \$3.2 million of income and \$5.8 million of expense, respectively, related to the fair value of derivative investments, was reclassified from accumulated other comprehensive loss to the statement of earnings. During 2023, 2022 and 2021, no amounts related to foreign currency translation were reclassified from accumulated other comprehensive loss to the statement of earnings.

22. Segment Information

We have three reportable segments: brokerage, risk management and corporate.

The brokerage segment is primarily comprised of our retail and wholesale insurance and reinsurance brokerage operations. The brokerage segment (which comprises our retail P/C, wholesale, reinsurance, benefits and captive operations) generates revenues through commissions paid by underwriting enterprises and through fees charged to our clients. Our brokers, agents and administrators act as intermediaries between underwriting enterprises and our clients and we do not assume net underwriting risks.

The risk management segment provides contract claim settlement and administration services for commercial, nonprofit, captive and public sector entities, and various organizations that choose to self-insure some or all of their property/casualty coverages and for underwriting enterprises that choose to outsource some or all of their property/casualty claims departments. These operations also provide claims management, loss control consulting and insurance property appraisal services. Revenues are principally generated on a negotiated per-claim or per-service fee basis. Our risk management segment also provides risk management consulting services that are recognized as the services are delivered.

The corporate segment manages our clean energy and other investments. In addition, the corporate segment reports the financial information related to our debt and other corporate costs, external acquisition-related expenses and the impact of foreign currency translation.

Allocations of investment income and certain expenses are based on reasonable assumptions and estimates primarily using revenue, headcount and other information. We allocate the provision for income taxes to the brokerage and risk management

segments using the local country statutory rates. Reported operating results by segment would change if different methods were applied.

Financial information relating to our segments for 2023, 2022 and 2021 is as follows (in millions):

Year Ended December 31, 2023	Brokerage	Risk Management	Corporate	Total
Revenues:				
Commissions	\$ 5,865.0	\$ —	\$ —	\$ 5,865
Fees	1,885.0	1,259.7	—	3,144.7
Supplemental revenues	314.2	—	—	314.2
Contingent revenues	235.3	—	—	235.3
Interest income, premium finance revenues and other income	337.7	27.9	1.7	367.3
Revenues before reimbursements	8,637.2	1,287.6	1.7	9,926.5
Reimbursements	—	145.4	—	145.4
Total revenues	8,637.2	1,433.0	1.7	10,071.9
Compensation	4,769.1	776.8	135.3	5,681.2
Operating	1,272.3	257.4	160.0	1,689.7
Reimbursements	—	145.4	—	145.4
Interest	—	—	296.7	296.7
Depreciation	124.4	35.9	4.9	165.2
Amortization	523.6	7.7	—	531.3
Change in estimated acquisition earnout payables	376.8	0.5	—	377.3
Total expenses	7,066.2	1,223.7	596.9	8,886.8
Earnings (loss) before income taxes	1,571.0	209.3	(595.2)	1,185.1
Provision (benefit) for income taxes	401.6	55.3	(237.8)	219.1
Net earnings (loss)	1,169.4	154.0	(357.4)	966.0
Net earnings (loss) attributable to noncontrolling interests	6.3	—	(9.8)	(3.5)
Net earnings (loss) attributable to controlling interests	\$ 1,163.1	\$ 154.0	\$ (347.6)	\$ 969.5
Net foreign exchange loss	\$ (0.3)	\$ (9.9)	\$ (0.1)	\$ (10.3)
Revenues:				
United States	\$ 5,216.1	\$ 1,208.7	\$ 1.7	\$ 6,426.5
United Kingdom	1,946.5	47.6	—	1,994.1
Australia	312.1	154.7	—	466.8
Canada	397.7	6.2	—	403.9
New Zealand	192.2	15.8	—	208.0
Other foreign	572.6	—	—	572.6
Total revenues	\$ 8,637.2	\$ 1,433.0	\$ 1.7	\$ 10,071.9
At December 31, 2023				
Identifiable assets:				
United States	\$ 21,763.9	\$ 1,026.0	\$ 2,520.4	\$ 25,310.3
United Kingdom	15,999.7	129.9	—	16,129.6
Australia	1,969.7	469.2	—	2,438.9
Canada	1,692.9	4.1	—	1,697.0
New Zealand	773.1	20.1	—	793.2
Other foreign	5,246.8	—	—	5,246.8
Total identifiable assets	\$ 47,446.1	\$ 1,649.3	\$ 2,520.4	\$ 51,615.8
Goodwill - net	\$ 11,217.8	\$ 238.8	\$ 19.0	\$ 11,475.6
Amortizable intangible assets - net	4,427.9	205.4	—	4,633.3

Year Ended December 31, 2022	Brokerage	Risk Management	Corporate	Total
Revenues:				
Commissions	\$ 5,187.4	\$ —	\$ —	\$ 5,187.4
Fees	1,476.9	1,090.8	—	2,567.7
Supplemental revenues	284.7	—	—	284.7
Contingent revenues	207.3	—	—	207.3
Interest income, premium finance revenues and other income	147.5	1.8	0.7	150.0
Revenue from clean coal activities	—	—	23.0	23.0
Revenues before reimbursements	7,303.8	1,092.6	23.7	8,420.1
Reimbursements	—	130.5	—	130.5
Total revenues	7,303.8	1,223.1	23.7	8,550.6
Compensation				
Operating	1,039.9	233.9	57.1	1,330.9
Reimbursements	—	130.5	—	130.5
Cost of revenues from clean coal activities	—	—	22.9	22.9
Interest	—	—	256.9	256.9
Depreciation	103.6	37.8	3.3	144.7
Amortization	448.7	6.2	—	454.9
Change in estimated acquisition earnout payables	90.4	(7.4)	—	83.0
Total expenses	5,707.3	1,065.9	450.4	7,223.6
Earnings (loss) before income taxes	1,596.5	157.2	(426.7)	1,327.0
Provision (benefit) for income taxes	394.7	41.4	(225.1)	211.0
Net earnings (loss)	1,201.8	115.8	(201.6)	1,116.0
Net earnings (loss) attributable to noncontrolling interests	4.4	—	(2.6)	1.8
Net earnings (loss) attributable to controlling interests	\$ 1,197.4	\$ 115.8	\$ (199.0)	\$ 1,114.2
Net foreign exchange gain	\$ 2.6	\$ 31.4	\$ —	\$ 34.0
Revenues:				
United States	\$ 4,503.9	\$ 1,029.6	\$ 23.7	\$ 5,557.2
United Kingdom	1,544.3	44.1	—	1,588.4
Australia	281.8	129.1	—	410.9
Canada	356.0	5.9	—	361.9
New Zealand	166.9	14.4	—	181.3
Other foreign	450.9	—	—	450.9
Total revenues	\$ 7,303.8	\$ 1,223.1	\$ 23.7	\$ 8,550.6
At December 31, 2022				
Identifiable assets:				
United States	\$ 17,485.3	\$ 914.5	\$ 2,540.8	\$ 20,940.6
United Kingdom	9,338.5	115.9	—	9,454.4
Australia	1,792.1	89.0	—	1,881.1
Canada	1,465.3	4.4	—	1,469.7
New Zealand	730.9	18.8	—	749.7
Other foreign	3,862.9	—	—	3,862.9
Total identifiable assets	\$ 34,675.0	\$ 1,142.6	\$ 2,540.8	\$ 38,358.4
Goodwill - net	\$ 9,358.1	\$ 112.2	\$ 19.1	\$ 9,489.4
Amortizable intangible assets - net	3,325.9	46.2	—	3,372.1

Year Ended December 31, 2021	Brokerage	Risk Management	Corporate	Total
Revenues:				
Commissions	\$ 4,132.3	\$ —	\$ —	\$ 4,132.3
Fees	1,296.9	967.2	—	2,264.1
Supplemental revenues	248.7	—	—	248.7
Contingent revenues	188.0	—	—	188.0
Interest income, premium finance revenues and other income	101.6	0.4	0.5	102.5
Revenue from clean coal activities	—	—	1,140.8	1,140.8
Revenues before reimbursements	5,967.5	967.6	1,141.3	8,076.4
Reimbursements	—	133.0	—	133.0
Total revenues	5,967.5	1,100.6	1,141.3	8,209.4
Compensation	3,252.4	580.7	94.4	3,927.5
Operating	757.9	209.8	104.7	1,072.4
Reimbursements	—	133.0	—	133.0
Cost of revenues from clean coal activities	—	—	1,173.2	1,173.2
Interest	—	—	226.1	226.1
Loss on extinguishment of debt	—	—	16.2	16.2
Depreciation	87.8	46.2	17.2	151.2
Amortization	407.6	7.5	—	415.1
Change in estimated acquisition earnout payables	116.3	3.3	—	119.6
Total expenses	4,622.0	980.5	1,631.8	7,234.3
Earnings (loss) before income taxes	1,345.5	120.1	(490.5)	975.1
Provision (benefit) for income taxes	328.9	30.6	(339.4)	20.1
Net earnings (loss)	1,016.6	89.5	(151.1)	955.0
Net earnings attributable to noncontrolling interests	8.4	—	39.8	48.2
Net earnings (loss) attributable to controlling interests	\$ 1,008.2	\$ 89.5	\$ (190.9)	\$ 906.8
Net foreign exchange loss	\$ (1.7)	\$ -	\$ (0.6)	\$ (2.3)
Revenues:				
United States	\$ 3,804.8	\$ 910.7	\$ 1,141.3	\$ 5,856.8
United Kingdom	1,199.0	46.0	—	1,245.0
Australia	252.6	123.5	—	376.1
Canada	302.2	5.8	—	308.0
New Zealand	162.4	14.6	—	177.0
Other foreign	246.5	—	—	246.5
Total revenues	\$ 5,967.5	\$ 1,100.6	\$ 1,141.3	\$ 8,209.4
At December 31, 2021				
Identifiable assets:				
United States	\$ 15,136.5	\$ 790.2	\$ 2,632.6	\$ 18,559.3
United Kingdom	8,170.7	134.1	—	8,304.8
Australia	1,674.3	84.7	—	1,759.0
Canada	1,427.2	4.4	—	1,431.6
New Zealand	754.5	20.4	—	774.9
Other foreign	2,406.5	—	—	2,406.5
Total identifiable assets	\$ 29,569.7	\$ 1,033.8	\$ 2,632.6	\$ 33,236.1
Goodwill - net	\$ 8,544.6	\$ 100.9	\$ 20.7	\$ 8,666.2
Amortizable intangible assets - net	3,906.1	47.9	—	3,954.0

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Arthur J. Gallagher & Co.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Arthur J. Gallagher & Co. (the Company) as of December 31, 2023 and 2022, the related consolidated statements of earnings, comprehensive earnings, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2023, the related notes and the financial statement schedule listed in the Index at Item 15(2)(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 9, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

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

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

Critical Audit Matter

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

Business acquisitions – accounting for acquisitions

Description of the Matter

As described in Note 3 to the consolidated financial statements, the Company completed 51 acquisitions during 2023 for total net consideration of \$3,742.6 million. All the acquisitions have been accounted for using the acquisition method for recording business combinations. The excess of the purchase price over the estimated fair value of the net assets acquired, including identifiable intangible assets, at the acquisitions date was allocated to goodwill. Identifiable intangible assets from the acquisitions consists primarily of acquired customer lists of \$1,721.0 million. Provisional estimates of fair value are established on the closing date of each acquisition and are subsequently reviewed and finalized within twelve months of the acquisition date.

Auditing the accounting for these acquisitions involved subjectivity in evaluating management's estimates, specifically, the identification and measurement of intangible assets and earnout obligations. The Company, with the assistance of a third-party valuation firm, as applicable, used the discounted cash flow method to measure the fair value of the intangible assets and earnout obligations to finalize the accounting for its acquisitions. The significant assumptions used to estimate the fair value of the intangible assets and earnout obligations included, revenue growth rates, and projected profit margins.

These assumptions are forward-looking and could be affected by future economic and market conditions.

*How We Addressed the
Matter in Our Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls over the Company's accounting for acquisitions. For example, we tested controls over the recognition and measurement of assets acquired, consideration paid and payable, and management's review of significant assumptions used to determine the fair value of intangible assets and earnout obligations of the acquisitions for which management finalized its accounting.

To test the estimated fair value of intangible assets and earnout obligations, our audit procedures included, among other things, an evaluation of the identification of intangible assets and earnout obligations based on the terms of the purchase agreements. Additionally, we have tested the significant assumptions, including, revenue growth rates, and projected profit margins, used to value the identifiable intangible assets and earnout obligations for acquisitions that the Company has deemed the accounting as final. We have also tested the completeness and accuracy of the underlying data supporting the fair value estimates. We also compared the above assumptions to the historical results of the acquired companies, past performance of similar acquisitions by the Company, and current market conditions. For select acquisitions, we utilized the assistance of our valuation specialists to evaluate the methods and assumptions used to determine the fair value of intangible assets and earnout obligations.

/s/ Ernst & Young LLP
Ernst & Young LLP

We have served as the Company's auditor since 1973
Chicago, Illinois
February 9, 2024

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) under the Exchange Act. Under the supervision and with the participation of management, including our principal executive officer and principal financial officer, we conducted an assessment of the effectiveness of our internal control over financial reporting based on the framework in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework).

In conducting our assessment of the effectiveness of its internal control over financial reporting, we have excluded 30 of the 51 entities acquired in 2023, which are included in our 2023 consolidated financial statements. Collectively, these acquired entities constituted approximately 1.0% of total assets as of December 31, 2023, approximately 0.7% of total revenues, and approximately (2.7)% of net earnings for the year then ended.

Based on our assessment under the 2013 framework, management concluded that our internal control over financial reporting was effective as of December 31, 2023. In addition, the effectiveness of our internal control over financial reporting as of December 31, 2023, has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their attestation report which is included herein.

Arthur J. Gallagher & Co.
Rolling Meadows, Illinois
February 9, 2024

/s/ J. Patrick Gallagher, Jr.
J. Patrick Gallagher, Jr.
Chairman and Chief Executive Officer

/s/ Douglas K. Howell
Douglas K. Howell
Chief Financial Officer

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Arthur J. Gallagher & Co.

Opinion on Internal Control Over Financial Reporting

We have audited Arthur J. Gallagher & Co.'s internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), (the COSO criteria). In our opinion, Arthur J. Gallagher & Co (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

As indicated in the accompanying Management's Report on Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of 30 of the 51 entities acquired in 2023, which are included in the 2023 consolidated financial statements of the Company and constituted approximately 1.0% of total assets as of December 31, 2023, approximately 0.7% of total revenues, and approximately (2.7)% of net earnings for the year then ended. Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of these acquired entities.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2023 and 2022, the related consolidated statements of earnings, comprehensive earnings, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and financial statement schedule listed in the Index at Item 15(2)(a) and our report dated February 9, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

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

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

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

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

/s/ Ernst & Young LLP

Ernst & Young LLP

Chicago, Illinois

February 9, 2024

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

There were no changes in or disagreements with our accountants on matters related to accounting and financial disclosure.

Item 9A. Controls and Procedures.**Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures.**

We carried out an evaluation required by the Exchange Act, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rule 13a-15(e) of the 1934 Act, as of the end of the period covered by this report. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the 1934 Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and to provide reasonable assurance that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Design and Evaluation of Internal Control over Financial Reporting.

Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives as specified above. Management does not expect, however, that our disclosure controls and procedures will prevent or detect all error and fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected. Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, we included a report of management's assessment of the design and effectiveness of our internal controls as part of this annual report for the fiscal year ended December 31, 2023. Our independent registered public accounting firm also attested to, and reported on, the effectiveness of internal control over financial reporting. Management's report and the independent registered public accounting firm's attestation report are included in Item 8, "Financial Statements and Supplementary Data," under the captions entitled "Management's Report on Internal Control Over Financial Reporting" and "Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting."

Changes in Internal Control over Financial Reporting.

During the three-month period ended December 31, 2023, there has not occurred any change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

During the three-month period ended December 31, 2023, no director or officer adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement, as each term is defined in Item 408(a) of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

None.

Part III

Item 10. Directors, Executive Officers and Corporate Governance.

Our 2024 Proxy Statement will include the information required by this item under the headings “Election of Directors,” “Other Board Matters,” “Board Committees” and, if necessary, “Delinquent Section 16(a) Reports,” which we incorporate herein by reference.

Item 11. Executive Compensation.

Our 2024 Proxy Statement will include the information required by this item under the headings “Compensation Committee Report” and “Compensation Discussion and Analysis,” which we incorporate herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Our 2024 Proxy Statement will include the information required by this item under the headings “Security Ownership by Certain Beneficial Owners and Management” and “Equity Compensation Plan Information,” which we incorporate herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Our 2024 Proxy Statement will include the information required by this item under the headings “Certain Relationships and Related Transactions” and “Other Board Matters,” which we incorporate herein by reference.

Item 14. Principal Accountant Fees and Services.

Our independent registered public accounting firm is Ernst & Young LLP, Chicago, Illinois, Auditor Firm ID: 42.

Our 2024 Proxy Statement will include the information required by this item under the heading “Ratification of Appointment of Independent Auditor - Principal Accountant Fees and Services,” which we incorporate herein by reference.

Part IV

Item 15. Exhibits and Financial Statement Schedules.

The following documents are filed as a part of this report:

1. Consolidated Financial Statements:
 - (a) Consolidated Statement of Earnings for each of the three years in the period ended December 31, 2023.
 - (b) Consolidated Balance Sheet as of December 31, 2023 and 2022.
 - (c) Consolidated Statement of Cash Flows for each of the three years in the period ended December 31, 2023.
 - (d) Consolidated Statement of Stockholders’ Equity for each of the three years in the period ended December 31, 2023.
 - (e) Notes to Consolidated Financial Statements.
 - (f) Report of Independent Registered Public Accounting Firm on Financial Statements.
 - (g) Management’s Report on Internal Control Over Financial Reporting.
 - (h) Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting.
2. Consolidated Financial Statement Schedules required to be filed by Item 8 of this Form:
 - (a) Schedule II - Valuation and Qualifying Accounts.

All other schedules are omitted because they are not applicable, or not required, or because the required information is included in our consolidated financial statements or the notes thereto. Exhibits:

- 3.1 [Restated Certificate of Incorporation of Arthur J. Gallagher & Co. \(incorporated by reference to Exhibit 3.2 to our Form 8-K Current Report dated May 11, 2023, File No. 1-09761\).](#)
- 3.2 [Amended and Restated By-Laws of Arthur J. Gallagher & Co. \(incorporated by reference to Exhibit 3.1 to our Form 8-K Current Report dated December 6, 2022, File No. 1-09761\).](#)
- 4.1 [Description of Securities](#)
- 4.2 [Indenture, dated as of May 20, 2021, between the Company and The Bank of New York Mellon Trust Company, N.A., as Trustee \(incorporated by reference to Exhibit 4.1 to our Form 8-K Current Report dated May 20, 2021, File No. 1-09761\).](#)
- 10.1 [Credit Agreement, dated as of June 22, 2023, by and among Arthur J. Gallagher & Co., as borrower, Bank of America, N.A., as administrative agent and L/C issuer, and the lenders and other L/C issuers party thereto \(incorporated by reference to Exhibit 10.1 to our Form 8-K Current Report dated June 23, 2023, File No. 1-09761\).](#)
- 10.2 [First Amendment to Credit Agreement, dated as of November 7, 2023, by and among Arthur J. Gallagher & Co., as borrower, Bank of America, N.A., as administrative agent, and the lenders party thereto.](#)
- *10.3 [Form of Indemnity Agreement between Arthur J. Gallagher & Co. and each of our directors and executive officers \(incorporated by reference to Exhibit 10.11 to our Form 10-Q Quarterly Report for the quarterly period ended March 31, 2009, File No. 1-09761\).](#)
- *10.4 [Arthur J. Gallagher & Co. Deferral Plan for Nonemployee Directors \(amended and restated as of February 1, 2022\) \(incorporated by reference to Exhibit 10.12 to our Form 10-K Annual Report for 2022, File No. 1-09761\).](#)
- *10.5 [Form of Change in Control Agreement between Arthur J. Gallagher & Co. and those Executive Officers hired prior to January 1, 2008 \(incorporated by reference to Exhibit 10.14.1 to our Form 10-K Annual Report for 2011, File No. 1-09761\).](#)
- *10.6 [Form of Change in Control Agreement between Arthur J. Gallagher & Co. and those Executive Officers hired after January 1, 2008 \(incorporated by reference to Exhibit 10.14.2 to our Form 10-K Annual Report for 2011, File No. 1-09761\).](#)
- *10.7 [The Arthur J. Gallagher & Co. Supplemental Savings and Thrift Plan, as amended and restated effective October 20, 2020 \(incorporated by reference to Exhibit 10.15 to our Form 10-K Annual Report for 2020, File No. 1-09761\).](#)
- *10.8 [Arthur J. Gallagher & Co., Deferred Equity Participation Plan \(as amended and restated as of February 20, 2021\) \(incorporated by reference to Exhibit 10.16 to our Form 10-Q for the quarterly period ended March 31, 2021 File No. 1 09761\).](#)
- *10.9 [Form of Deferred Equity Participation Plan Award Agreement \(incorporated by reference to Exhibit 10.16.1 to our Form 10-K Annual Report for 2022, File No. 1-09761\).](#)
- *10.10 [Arthur J. Gallagher & Co. Severance Plan \(effective September 15, 1997, as amended and restated effective January 1, 2009\) \(incorporated by reference to Exhibit 10.17 to our Form 10-K Annual Report for 2008, File No. 1-09761\).](#)
- *10.11 [First Amendment to the Arthur J. Gallagher & Co. Severance Plan \(effective September 15, 1997, as amended and restated effective January 1, 2009\) \(incorporated by reference to Exhibit 10.1 to our Form 10-Q Quarterly Report for the quarterly period ended June 30, 2010, File No. 1-09761\).](#)
- *10.12 [Arthur J. Gallagher & Co. Deferred Cash Participation Plan, amended and restated as of September 11, 2018 \(incorporated by reference to Exhibit 10.18 to our Form 10-K Annual Report for 2019, File No. 1-09761\).](#)
- *10.13 [Form of Long-Term Incentive Plan Restricted Stock Unit Award Agreement \(incorporated by reference to Exhibit 10.42.1 to our Form 10-K Annual Report for 2022, File No. 1-09761\).](#)
- *10.14 [Form of Long-Term Incentive Plan Stock Option Award Agreement \(incorporated by reference to Exhibit 10.42.2 to our Form 10-K Annual Report for 2022, File No. 1-09761\).](#)
- *10.15 [Form of Long-Term Incentive Plan Stock Appreciation Rights Award Agreement \(incorporated by reference to Exhibit 10.42.3 to our Form 10-K Annual Report for 2010, File No. 1-09761\).](#)
- *10.16 [Form of Long-Term Incentive Plan Restricted Stock Unit Award Agreement for executive officers over the age of 55 incorporated by reference to Exhibit 10.42.4 to our Form 10-K Annual Report for 2022, File No. 1-09761\).](#)
- *10.17 [Form of Long-Term Incentive Plan Stock Option Award Agreement for executive officers.](#)
- *10.18 [Arthur J. Gallagher & Co. Performance Unit Program \(incorporated by reference to Exhibit 10.43 to our Form 10-Q Quarterly Report for the quarterly period ended June 30, 2007, File No. 1-09761\).](#)

- *10.19 [Form of Performance Unit Grant Agreement under the Performance Unit Program \(incorporated by reference to Exhibit 10.43.1 to our Form 10-K Annual Report for 2022, File No. 1-09761\).](#)
- *10.20 [Form of Performance Unit Grant Agreement under the Long-Term Incentive Plan for executive officers.](#)
- *10.21 [Senior Management Incentive Plan \(incorporated by reference to Exhibit 10.44 to our Form 10-Q Quarterly Report for the quarterly period ended June 30, 2015, File No. 1-09761\).](#)
- *10.22 [Arthur J. Gallagher & Co. 2017 Long-Term Incentive Plan \(incorporated by reference to Exhibit 4.8 to our Form S-8 Registration Statement, File No. 333-221274\).](#)
- *10.23 [Arthur J. Gallagher & Co. U.K. Employee Share Incentive Plan \(incorporated by reference to Exhibit 4.3 to our Form S-8 Registration Statement, File No. 333-258331\).](#)
- *10.24 [Form of Partnership Share Agreement under the Arthur J. Gallagher & Co. U.K. Employee Share Incentive Plan \(incorporated by reference to Exhibit 4.4 to our Form S-8 Registration Statement, File No. 333-258331\).](#)
- *10.25 [Arthur J. Gallagher & Co. 2022 Long-Term Incentive Plan \(incorporated by reference to Exhibit 10.1 to our Form 8-K Current Report dated May 13, 2022 File No. 1-09761\).](#)
- 21.1 [Subsidiaries of Arthur J. Gallagher & Co., including state or other jurisdiction of incorporation or organization.](#)
- 23.1 [Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.](#)
- 24.1 [Power of Attorney.](#)
- 31.1 [Rule 13a-14\(a\) Certification of Chief Executive Officer.](#)
- 31.2 [Rule 13a-14\(a\) Certification of Chief Financial Officer.](#)
- 32.1 [Section 1350 Certification of Chief Executive Officer.](#)
- 32.2 [Section 1350 Certification of Chief Financial Officer.](#)
- 97 [Incentive Compensation Recovery Policy.](#)
- 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 with embedded linkbases document.
- 104 Cover Page Interactive Data File formatted in Inline XBRL (included as Exhibit 101).

All other exhibits are omitted because they are not applicable, or not required, or because the required information is included in our consolidated financial statements or the notes thereto. The registrant agrees to furnish to the Securities and Exchange Commission upon request a copy of any long-term debt instruments that have been omitted pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K.

* Such exhibit is a management contract or compensatory plan or arrangement required to be filed as an exhibit to this form pursuant to item 601 of Regulation S-K.

Item 16. Form 10-K Summary.

None.

Schedule II
Arthur J. Gallagher & Co.
Valuation and Qualifying Accounts

	Balance at Beginning of Year		Amounts Recorded in Earnings		Adjustments		Balance at End of Year
(In millions)							
Year ended December 31, 2023							
Allowance for doubtful accounts	\$ 11.1	\$	26.0	\$	(14.1)	(1)	\$ 23.0
Allowance for estimated policy cancellations	9.3		(0.5)		1.1	(2)	9.9
Valuation allowance for deferred tax assets	135.2		60.6		—		195.8
Accumulated amortization of expiration							
lists, non-compete agreements and trade names	3,300.0		531.3		42.2	(3)	3,873.5
Year ended December 31, 2022							
Allowance for doubtful accounts	\$ 8.3	\$	6.8	\$	(4.0)	(1)	\$ 11.1
Allowance for estimated policy cancellations	10.0		2.4		(3.1)	(2)	9.3
Valuation allowance for deferred tax assets	154.9		(19.7)		—		135.2
Accumulated amortization of expiration							
lists, non-compete agreements and trade names	2,924.0		454.9		(78.9)	(3)	3,300.0
Year ended December 31, 2021							
Allowance for doubtful accounts	\$ 10.1	\$	7.0	\$	(8.8)	(1)	\$ 8.3
Allowance for estimated policy cancellations	9.9		(1.3)		1.4	(2)	10.0
Valuation allowance for deferred tax assets	94.9		60.0		—		154.9
Accumulated amortization of expiration							
lists, non-compete agreements and trade names	2,537.0		415.1		(28.1)	(3)	2,924.0

(1) Net activity of bad debt write offs and recoveries and acquired businesses.

(2) Additions to allowance related to acquired businesses.

(3) Elimination of fully amortized expiration lists, non-compete agreements and trade names, intangible asset/amortization reclassifications and disposal of acquired businesses.

**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934**

Arthur J. Gallagher & Co. (the "Company") has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): our common stock, par value \$1.00 per share (the "Common Stock").

DESCRIPTION OF COMMON STOCK

The following summary description sets forth some of the general terms and provisions of the Common Stock. Because this is a summary description, it does not contain all of the information that may be important to you. For a more detailed description of the Common Stock, you should refer to the provisions of our Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") and our Amended and Restated By-Laws (the "By-Laws"), each of which is an exhibit to the Annual Report on Form 10-K to which this description is an exhibit.

General

Under the Certificate of Incorporation, the Company is authorized to issue up to 400,000,000 shares of Common Stock with par value of \$1.00 per share and up to 1,000,000 shares of preferred stock with no par value per share (the "Preferred Stock"). The shares of Common Stock currently outstanding are fully paid and nonassessable. No shares of Preferred Stock are currently outstanding.

No Preemptive, Redemption or Conversion Rights

The Common Stock is not subject to redemption or retirement, is not subject to sinking fund provisions, does not have any conversion rights and is not subject to call. No holder of our Common Stock has preemptive or other rights to subscribe for additional shares of any class of our stock.

Voting Rights

Each holder of our Common Stock is entitled to one vote for each share of such stock standing in his or her name on the books of the Company. Holders of shares of our Common Stock do not have cumulative voting rights in the election of directors.

Board of Directors

Our Board of Directors is not classified. Our Certificate of Incorporation establishes that the number of directors shall not be less than three nor more than fifteen, with the exact number of directors to be fixed from time to time by, or in the manner provided in, the By-Laws. The By-Laws provide that, within such limits, the number of directors shall be determined by resolution of the Board of Directors.

No Action by Stockholder Consent

The Certificate of Incorporation provides that any action required or permitted to be taken by the stockholders must be taken at a duly called annual or special meeting of the stockholders, and the power of stockholders to consent in writing, without a meeting, to the taking of any action is specifically denied.

Power to Call Special Stockholder Meeting

Under Delaware law, a special meeting of stockholders may be called by our Board of Directors or by any other person authorized to do so in the Certificate of Incorporation or By-Laws. Pursuant to our By-Laws, special meetings of the stockholders may be called by the Chairman of the Board of Directors or President. In addition, a special meeting of the stockholders shall be called by the President or Secretary at the request in writing of a majority of the Board of Directors.

Dividend Rights

The holders of our Common Stock are entitled to receive such dividends as the Board of Directors may declare from time to time, provided that any and all preferred dividends on our Preferred Stock for the then current quarter have been set aside or paid, and all prior quarterly dividends on our Preferred Stock have been paid in full.

Rights upon Liquidation

Upon our liquidation, the holders of our Common Stock will receive ratably, in proportion to the number of shares held, all of our net assets remaining after the payment of any liquidation preference payable with respect to any Preferred Stock that may then be outstanding.

Forum Selection Clause

Under our By-Laws, unless the Company selects or consents in writing to the selection of an alternative forum: (a) the sole and exclusive forum for any complaint asserting any internal corporate claims, to the fullest extent permitted by law, and subject to applicable jurisdictional requirements, shall be the Delaware Court of Chancery (or, if the Delaware Court of Chancery does not have, or declines to accept, jurisdiction, another state court or a federal court located within the State of Delaware) and (b) the sole and exclusive forum for any complaint asserting a cause of action arising under the Securities Act of 1933, to the fullest extent permitted by law, shall be the federal district courts of the United States of America. This provision applies to “internal corporate” claims, including claims in the right of the Company: (A) that are based upon a violation of a duty by a current or former director, officer, employee or stockholder in such capacity, or (B) as to which the General Corporation Law of the State of Delaware confers jurisdiction upon the Delaware Court of Chancery. In addition, under our By-Laws, any person or entity purchasing or otherwise acquiring or holding interest in shares of our stock, shall be deemed to have notice of and consented to the Forum Selection provisions of our By-Laws.

Preferred Stock

Our Preferred Stock may be issued in one or more series, and for such consideration as our Board of Directors may determine. Our Board of Directors is authorized to determine the voting power of each series of Preferred Stock, which may range from no voting power to a maximum of one vote per share. If our Board of Directors does not explicitly provide the voting power of any series of our Preferred Stock in the resolution or resolutions providing for the issuance of such series, the holders of that series of Preferred Stock have no voting power with respect to any matter. Our Board of Directors is also authorized to fix the designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as provided for in the resolution or resolutions providing for the issuance of such shares of Preferred Stock.

This FIRST AMENDMENT TO CREDIT AGREEMENT (this “**Amendment**”), dated as of November 7, 2023, among Arthur J. Gallagher & Co., a Delaware corporation (the “**Company**”), each Lender (as defined below) party hereto as a Consenting Lender (as defined below) or an Incremental Lender (as defined below) and the Administrative Agent (as defined below), to the Credit Agreement, dated as of June 22, 2023 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof, the “**Credit Agreement**”), among the Company, certain Subsidiaries of the Company from time to time party thereto, each Lender from time to time party thereto (the “**Lenders**”), Bank of America, N.A., as Administrative Agent (the “**Administrative Agent**”) and an L/C Issuer, and the other parties party thereto from time to time.

WHEREAS, pursuant to Section 2.15 of the Credit Agreement, the Company has requested an increase in the Aggregate Commitments in an aggregate commitment amount equal to \$500,000,000 (the “**Incremental Commitments**”; and the loans made pursuant to the Incremental Commitments, the “**Incremental Loans**”), and certain Lenders party hereto (the “**Incremental Lenders**”) are severally willing to provide the Incremental Commitments on the Amendment Effective Date (as defined below) in the amount set forth opposite such Incremental Lender’s name on such schedule, subject to the terms and conditions set forth in this Amendment, which increase in the Aggregate Commitments shall not require the consent of any Lender other than the Administrative Agent and each Incremental Lender;

WHEREAS, pursuant to Sections 3.03(e) and 10.01 of the Credit Agreement, the Administrative Agent, the Incremental Lenders, certain other Lenders party hereto (the “**Consenting Lenders**”) and the Company desire to amend the Credit Agreement to, among other things, replace the then-current Canadian Benchmark with a Canadian Benchmark Replacement for all purposes under the Credit Agreement (as amended by this Amendment) and the other Loan Documents, and to make certain Canadian Benchmark Replacement Conforming Changes in connection therewith, subject to the terms and conditions set forth in this Amendment (the “**CORRA Replacement**”), which CORRA Replacement shall require the consent of the Company, each Lender party to the Credit Agreement and the Administrative Agent; and

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Defined Terms. Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Credit Agreement as amended hereby.

SECTION 2. Amendments to Credit Agreement. The Credit Agreement is, effective as of the Amendment Effective Date (as defined below), 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 attached as Exhibit A hereto.

SECTION 3. Incremental Commitments.

(a) Subject to the terms and conditions set forth herein, each Incremental Lender severally agrees to provide Incremental Commitments to the Company on the Amendment Effective Date in an aggregate commitment amount equal to its Incremental Commitment set forth opposite such Incremental Lender’s name on Schedule 1 hereto.

(b) The Incremental Commitments shall take the form of an increase to the existing Aggregate Commitments, and the Incremental Commitments and the Incremental Loans shall have identical terms to the existing Commitments and the existing Loans, respectively, under the Credit Agreement.

(c) The Incremental Commitments and the Incremental Loans shall be subject to the provisions of the Credit Agreement as amended hereby and the other Loan Documents. On the Amendment Effective Date, subject to the terms and conditions set forth herein, for all purposes of the Loan Documents,

(i) each Incremental Commitment shall constitute a “Commitment”, (ii) each Incremental Loan shall constitute a “Loan” and (iii) each Incremental Lender shall be a “Lender” and shall have all of the rights and shall perform all of the obligations of a Lender holding a Commitment or a Loan, in each case, under the Credit Agreement (as amended by this Amendment).

(d) On the Amendment Effective Date, subject to the satisfaction (or waiver) of the conditions in Section 5 hereof, (i) each then-existing Lender immediately prior to the Amendment Effective Date (each, an “**Existing Lender**”) will automatically and without further act be deemed to have assigned to each Incremental Lender, and each Incremental Lender will automatically and without further act be deemed to have assumed, a portion of such Existing Lender’s participations under the Credit Agreement in outstanding Letters of Credit (if any) such that, after giving effect to each deemed assignment and assumption of participations, all of the Lenders’ (including each Incremental Lender) participations under the Credit Agreement as amended hereby in Letters of Credit shall be held ratably on the basis of their respective Commitments (after giving effect to the Incremental Commitments) and (ii) the Existing Lenders shall assign Loans to the Incremental Lenders, and such Incremental Lenders shall purchase such Loans, in each case to the extent necessary so that all of the Lenders participate in each outstanding Borrowing pro rata on the basis of their respective Commitments (after giving effect to the Incremental Commitments); it being understood and agreed that the minimum borrowing, pro rata borrowing and pro rata payment requirements contained in the Credit Agreement shall not apply to the transactions effected pursuant to this clause (d). If the Company anticipates there being outstanding Loans on the Amendment Effective Date immediately after giving effect to the foregoing, the Company shall have delivered a Committed Loan Notice to the Administrative Agent in accordance with Section 2.02 of the Credit Agreement.

SECTION 4. Representations and Warranties. To induce the other parties hereto to enter into this Amendment, the Company represents and warrants to the other parties hereto on the Amendment Effective Date that:

(a) this Amendment (x) has been duly authorized, executed and delivered by it, and (y) constitutes the legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms, except as enforceability may be limited by Debtor Relief Laws and general equitable principles;

(b) the representations and warranties made by the Company in Article V of the Credit Agreement (as amended by this Amendment) and in the other Loan Documents are true and correct in all material respects (except that any representation and warranty that is qualified as to “materiality” or “Material Adverse Effect” shall be true and correct in all respects as so qualified) on and as of the Amendment Effective Date (both immediately before and after giving effect to the establishment of the Incremental Commitments), 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 as of such earlier date, and except that the representations and warranties contained in subsections (a) and (b) of Section 5.05 of the Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to subsections (a) and (b), respectively, of Section 6.01 of the Credit Agreement; and (c) no Default exists (both immediately before and after giving effect to the establishment of the Incremental Commitments).

SECTION 5. Amendment Effective Date. This Amendment shall become effective as of the first date (the “**Amendment Effective Date**”) on which each of the following conditions shall have been satisfied (or waived in accordance with Section 10.01 of the Credit Agreement):

(a) the Administrative Agent shall have received (i) a counterpart signature page of this Amendment duly executed by the Company, the Administrative Agent, each Incremental Lender and, solely with respect to the CORRA Replacement, each Consenting Lender and (ii) a Note executed by the Company in favor of each Incremental Lender requesting a Note at least three Business Days in advance of the Amendment Effective Date;

(b) the Administrative Agent shall have received a certificate signed by a Responsible Officer of the Company certifying (i) that the articles of formation or other comparable organizational documents of the Company, certified by the relevant authority of the jurisdiction of organization the Company and a true and complete copy of the bylaws, operating agreement or comparable governing document of the Company either (A) has not been amended since the Closing Date or (B) is attached as an exhibit to such certificate and that such documents or agreements have not been amended (except as otherwise attached to such certificate and certified therein as being the only amendments thereto as of such date), (ii) that attached thereto are the written consents of the Company’s governing body authorizing the execution, delivery, performance of, this Amendment and such written consents have not been modified, rescinded or amended and are in full force and effect on the Amendment Effective Date without amendment, modification or rescission, and (iii) as to the incumbency and genuineness of the signature of the officers or other authorized signatories of the Company executing this Amendment;

(c) the Administrative Agent shall have received a certificate as of a recent date of the good standing of the Company under the laws of its jurisdiction of organization from the relevant authority of its jurisdiction of organization (to the extent relevant and available in the jurisdiction of organization of the Company);

(d) the Administrative Agent shall have received (i) all documentation and other information from the Company reasonably requested by the Administrative Agent (on behalf of any Incremental Lender as of the Amendment Effective Date) at least five (5) days in advance of the Amendment Effective Date, in connection with applicable “know your customer” and anti-money laundering rules and regulations, including, without limitation, the PATRIOT Act, in each case at least three (3) days prior to the Amendment Effective Date and (ii) at least three (3) days prior to the Amendment Effective Date, to the extent the Company qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, a Beneficial Ownership Certification in relation to the Company;

(e) the representations and warranties set forth in Section 4 of this Amendment shall be true and correct in all material respects (except that any representation and warranty that is qualified as to “materiality” or “Material Adverse Effect” shall be true and correct in all respects as so qualified) on and as of the Amendment Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date, and (ii) the Administrative Agent shall have received a certificate (in form and substance reasonably acceptable to the Administrative Agent), dated as of the Amendment Effective Date and signed by a Responsible Officer of the Company, certifying as to such representations and warranties;

(f) the Administrative Agent shall have received a favorable legal opinion of each of Gibson, Dunn & Crutcher LLP, and Seth Diehl, Esq., external and in-house counsel, respectively, to the Company, addressed to the Administrative Agent and each Incremental Lender party hereto, as to matters concerning the Company and this Amendment (including enforceability of this Amendment under New York law); and

(g) the Company shall have paid (i) to the Administrative Agent (or its applicable Affiliate) any fees due and required to be paid to the Administrative Agent (or its applicable Affiliate) on the Amendment Effective Date pursuant to that certain Letter Agreement, dated as of October 23, 2023, among the Company and the Administrative Agent (or its applicable Affiliate) and (ii) subject to Section 10.04(a) of the Credit Agreement and to the extent invoiced at least one Business Day prior to the Amendment Effective Date, the reasonable out-of-pocket expenses of the Administrative Agent in connection with this Amendment, including the reasonable and documented out-of-pocket fees and expenses of one counsel for the Administrative Agent.

SECTION 6. Effect of Amendment.

(a) Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders or Administrative Agent under the Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other provision of the Credit Agreement or of any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle the Company to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document in similar or different circumstances.

(b) From and after the Amendment Effective Date, each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein”, or words of like import, and each reference to the “Credit Agreement” in any other Loan Document shall be deemed a reference to the Credit Agreement as amended hereby. This Amendment shall constitute a “Loan Document” and a “Credit Increase Amendment” for all purposes of the Credit Agreement and the other Loan Documents.

(c) The Company hereby ratifies and reaffirms all of its payment and performance obligations, contingent or otherwise, under each of the Loan Documents to which it is a party.

(d) Each Incremental Lender and Consenting Lender (which collectively constitute each Lender party to the Credit Agreement) hereby consents to the CORRA Replacement.

SECTION 7. Indemnification. The Company hereby confirms that the indemnification provisions set forth in Section 10.04 of the Credit Agreement as amended by this Amendment shall apply to this Amendment and the transactions contemplated hereby.

SECTION 8. Amendments; Severability.

(a) This Amendment may not be amended nor may any provision hereof be waived except pursuant to Section 10.01 of the Credit Agreement; and

(b) If any provision of this Amendment is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions of this Amendment shall not be affected

or impaired thereby. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 9. Governing Law; Jurisdiction; Etc.; Waiver of Jury Trial; Electronic Execution of Assignments and Certain Other Documents. THIS AGREEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ANY CONFLICTS OF LAWS PRINCIPLES. The provisions of Sections 10.14(b), (c), (d) and 10.15 of the Credit Agreement as amended by this Amendment are incorporated herein by reference, *mutatis mutandis*.

SECTION 10. Headings. Section headings herein are included for convenience of reference only and shall not affect the interpretation of this Amendment.

SECTION 11. Counterparts; Integration; Effectiveness. The provisions of Sections 10.17 of the Credit Agreement as amended by this Amendment are incorporated herein by reference, *mutatis mutandis*.

SECTION 12. Notice. Each Lender party hereto hereby waives the notice requirements set forth in the last sentence of Section 2.15(a) of the Credit Agreement.

[Remainder of page intentionally left blank]

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

By: /s/ David J. Smith

Name: David J. Smith

Title: Vice President

[Signature Page to First Amendment to Credit Agreement]

Name of Institution:

Bank of America N.A.

Executing as an Incremental Lender

By: /s/ Sidhima Daruka

Name: Sidhima Daruka

Title: Director

[Signature Page to First Amendment to Credit Agreement]

Name of Institution:

BMO Bank N.A. (f/k/a BMO Harris Bank N.A)

Executing as an Incremental Lender

By: /s/ Tracy Martinov

Name: Tracy Martinov

Title: Authorized Signatory

[Signature Page to First Amendment to Credit Agreement]

Name of Institution:

Barclays Bank PLC

Executing as an Incremental Lender

By: /s/ Andrew Asmodeo

Name: Andrew Asmodeo

Title: Authorized Signatory

[Signature Page to First Amendment to Credit Agreement]

Name of Institution:

CITIBANK, N.A.

Executing as an Incremental Lender

By: /s/ Maureen Maroney

Name: Maureen Maroney

Title: Vice President

[Signature Page to First Amendment to Credit Agreement]

Name of Institution:

JPMORGAN CHASE BANK, N.A.

Executing as an Incremental Lender

By: /s/ Milena Kolev

Name: Milena Kolev

Title: Vice President

[Signature Page to First Amendment to Credit Agreement]

Morgan Stanley Bank, N.A.
as an Incremental Lender

/s/ Michael King

Name: Michael King

Title: Authorized Signatory

[Signature Page to First Amendment to Credit Agreement]

Name of Institution:

Wells Fargo Bank, National Association

Executing as an Incremental Lender

By: /s/ Kimberly Shaffer
Name: Kimberly Shaffer
Title: Managing Director

[Signature Page to First Amendment to Credit Agreement]

Name of Institution:

Capital One, National Association

Executing as an Incremental Lender

By: /s/ Jesse Lawrence

Name: Jesse Lawrence

Title: Duly Authorized Signatory

[Signature Page to First Amendment to Credit Agreement]

Name of Institution:

HSBC Bank USA, National Association

Executing as an Incremental Lender

By: /s/ Casey Klepsch

Name: Casey Klepsch

Title: Senior Vice President

[Signature Page to First Amendment to Credit Agreement]

Name of Institution:

Lloyds Bank plc

Executing as an Incremental Lender

By: /s/ Blair Daly

Name: Blair Daly

Title: Associate Director

[Signature Page to First Amendment to Credit Agreement]

Name of Institution:

PNC Bank

Executing as an Incremental Lender

By: /s/ Kathleen J. McClure

Name: Kathleen J. McClure

Title: VP - Underwriter

[Signature Page to First Amendment to Credit Agreement]

Name of Institution:

LAKE FOREST BANK & TRUST COMPANY, N.A., a subsidiary of Wintrust Financial Corporation, As Lender

Executing as an Incremental Lender

By: /s/ Chris Martorelli

Name: Chris Martorelli

Title: Vice President

[Signature Page to First Amendment to Credit Agreement]

Solely with respect to the CORRA Replacement:

Name of Institution:

CITIZENS BANK, N.A.

Executing as a Consenting Lender

By: /s/ Paul Feloney

Name: Paul Feloney

Title: Senior Vice President

[Signature Page to First Amendment to Credit Agreement]

SCHEDULE 1

Incremental Lender	Incremental Commitment
Bank of America, N.A.	\$55,000,000.00
BMO Bank N.A.	\$52,500,000.00
Barclays Bank PLC	\$52,500,000.00
Citibank, N.A.	\$52,500,000.00
JPMorgan Chase Bank, N.A.	\$52,500,000.00
Morgan Stanley Bank, N.A.	\$52,000,000.00
Wells Fargo Bank, National Association	\$52,000,000.00
Capital One, N.A.	\$32,000,000.00
HSBC Bank USA, National Association	\$32,000,000.00
Lloyds Bank plc	\$32,000,000.00
PNC Bank, National Association	\$30,000,000.00
Lake Forest Bank & Trust Company, N.A.	\$5,000,000.00
Total	\$500,000,000.00

Published Deal CUSIP Number: 04313PAC2 Published
Revolving Credit Facility CUSIP Number: 04313PAD0

CREDIT AGREEMENT

Dated as of June 22, 2023,

[as amended by the First Amendment to Credit Agreement, dated as of November 7, 2023,](#)

among

ARTHUR J. GALLAGHER & CO.,

and

CERTAIN SUBSIDIARIES

as the Borrowers,

BANK OF AMERICA, N.A.,

as Administrative Agent and
an L/C Issuer, and

The Other Lenders and L/C Issuers Party Hereto with

**BofA SECURITIES, INC., BMO CAPITAL MARKETS CORP., BARCLAYS BANK PLC, CITIBANK, N.A., AND JPMORGAN
CHASE BANK, N.A.,**

as

Joint Lead Arrangers, Joint Bookrunners and Syndication Agents and

**CAPITAL ONE, NATIONAL ASSOCIATION,
HSBC BANK USA, NATIONAL ASSOCIATION AND LLOYDS BANK PLC,**

as

Co-Documentation Agents

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- A Form of Committed Loan Notice
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- J Form of Designated Borrower Request and Assumption Agreement
- K Form of Designated Borrower Notice

CREDIT AGREEMENT

This CREDIT AGREEMENT (this “Agreement”) is entered into as of June 22, 2023, among Arthur J. Gallagher & Co., a Delaware corporation (the “Company”), certain Subsidiaries of the Company from time to time party hereto pursuant to Section 2.18 (each, a “Designated Borrower” and, together with the Company, the “Borrowers” and each a “Borrower”), each lender from time to time party hereto (collectively, the “Lenders” and individually, a “Lender”), and BANK OF AMERICA, N.A., as Administrative Agent and an L/C Issuer, and the other L/C Issuers from time to time party hereto.

The Company has requested that the Lenders provide a revolving credit facility, and the Lenders are willing to do so on the terms and conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I. DEFINITIONS AND ACCOUNTING TERMS

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

“Act” has the meaning specified in Section 10.18.

“Administrative Agent” means Bank of America (or any of its designated branch offices or Affiliates) in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

“Administrative Agent’s Office” means, with respect to any currency, the Administrative Agent’s address and, as appropriate, account as set forth on Schedule 10.02 with respect to such currency, or such other address or account with respect to such currency as the Administrative Agent may from time to time notify the Company and the Lenders.

“Administrative Questionnaire” means an Administrative Questionnaire in substantially the form of Exhibit E-2 or any other form approved 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.

“Aggregate Commitments” means the Commitments of all the Lenders. “Agreed Currency” means Dollars or any Alternative Currency, as applicable. “Agreement” means this Credit Agreement.

“Agreement Currency” has the meaning specified in Section 10.23.

“Alternative Currency” means each of the following currencies: Euro, Sterling, Japanese Yen, Canadian Dollars, Australian Dollars and New Zealand Dollars, together with each other currency (other than Dollars) that is approved in accordance with Section 1.09; provided that for each Alternative Currency, such requested currency is an Eligible Currency.

“Alternative Currency Daily Rate” means, for any day, with respect to any Credit Extension:

(a) denominated in Sterling, the rate per annum equal to SONIA determined pursuant to the definition thereof; and

(b) denominated in any other Alternative Currency (to the extent such Loans denominated in such currency will bear interest at a daily rate), the daily rate per annum as designated with respect to such Alternative Currency at the time such Alternative Currency is approved by the Administrative Agent and the relevant Lenders pursuant to Section 1.09(a) plus the adjustment (if any) determined by the Administrative Agent and the relevant Lenders pursuant to Section 1.09(a);

provided, that, if any Alternative Currency Daily Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement. Any change in an Alternative Currency Daily Rate shall be effective from and including the date of such change without further notice.

“Alternative Currency Daily Rate Loan” means a Committed Loan that bears interest at a rate based on the definition of “Alternative Currency Daily Rate.” All Alternative Currency Daily Rate Loans must be denominated in an Alternative Currency.

“Alternative Currency Equivalent” means, at any time, with respect to any amount denominated in Dollars, the equivalent amount thereof in the applicable Alternative Currency as determined by the Administrative Agent or the applicable L/C Issuer, as the case may be, by reference to Bloomberg (or such other publicly available service for displaying exchange rates), to be the exchange rate for the purchase of such Alternative Currency with Dollars at approximately 11:00 a.m. on the date two (2) Business Days prior to the date as of which the foreign exchange computation is made; provided, however, that if no such rate is available, the “Alternative Currency Equivalent” shall be determined by the Administrative Agent or the applicable L/C Issuer, as the case may be, using any reasonable method of determination its deems appropriate in its sole discretion (and such determination shall be conclusive absent manifest error).

“Alternative Currency Loan” means an Alternative Currency Daily Rate Loan or an Alternative Currency Term Rate Loan, as applicable.

“Alternative Currency Term Rate” means, for any Interest Period, with respect to any Credit Extension:

(a) denominated in Euros, the rate per annum equal to the Euro Interbank Offered Rate (“EURIBOR”), as published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) on the day that is two TARGET Days preceding the first day of such Interest Period with a term equivalent to such Interest Period;

(b) denominated in Canadian dollars, the ~~CDOR~~ on the rate per annum equal to the forward-looking term rate based on CORRA (“Term CORRA”), as published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) (in such case, the “Term CORRA Rate”) that is two (2) Business Days prior to Rate Determination Date with a term equivalent to such Interest Period plus the Term CORRA Adjustment for such Interest Period;

(c) denominated in Japanese Yen, the rate per annum equal to the Tokyo Interbank Offer Rate (“TIBOR”), as published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) on the Rate Determination Date with a term equivalent to such Interest Period;

(d) denominated in Australian dollars, the rate per annum equal to the Bank Bill Swap Reference Bid Rate (“BBSY”), as published on the applicable Reuters screen page (or such other

commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) on the Rate Determination Date with a term equivalent to such Interest Period;

(e) denominated in New Zealand dollars, the rate per annum equal to the Bank Bill Reference Bid Rate (“BKBM”), as published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) on the Rate Determination Date with a term equivalent to such Interest Period;

(f) denominated in any other Alternative Currency (to the extent such Loans denominated in such currency will bear interest at a term rate), the term rate per annum as designated with respect to such Alternative Currency at the time such Alternative Currency is approved by the Administrative Agent and the relevant Lenders pursuant to Section 1.09(a) plus the adjustment (if any) determined by the Administrative Agent and the relevant Lenders pursuant to Section 1.09(a);

provided, that, if any Alternative Currency Term Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

“Alternative Currency Term Rate Loan” means a Committed Loan that bears interest at a rate based on the definition of “Alternative Currency Term Rate.” All Alternative Currency Term Rate Loans must be denominated in an Alternative Currency.

“Anti-Corruption Laws” has the meaning specified in Section 5.04.

“Applicable Authority” means (a) with respect to SOFR, the SOFR Administrator or any Governmental Authority having jurisdiction over the Administrative Agent or the SOFR Administrator with respect to its publication of SOFR, in each case acting in such capacity and (b) with respect to any Alternative Currency, the applicable administrator for the Relevant Rate for such Alternative Currency or any Governmental Authority having jurisdiction over the Administrative Agent or such administrator with respect to its publication of the applicable Relevant Rate, in each case acting in such capacity.

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

“Applicable Percentage” means with respect to any Lender at any time, the percentage (carried out to the ninth decimal place) of the Aggregate Commitments represented by such Lender’s Commitment at such time, subject to adjustment as provided in Section 2.17. If the commitment of each Lender to make Loans and the obligation of the L/C Issuers to make L/C Credit Extensions have been terminated pursuant to Section 8.02 or if the Aggregate Commitments have expired, then the Applicable Percentage of each Lender shall be determined based on the Applicable Percentage of such Lender most recently in effect, giving effect to any subsequent assignments and to any Lender’s status as a Defaulting Lender at the time of determination. The initial Applicable Percentage of each Lender is set forth opposite the name of such Lender on Schedule 2.01A or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

“Applicable Rate” means, from time to time, the following percentages per annum, based upon the Debt Rating as set forth below:

Pricing Level	Debt Ratings S&P/Moody’s/Fitch	Facility Fee	SOFR Daily Floating Rate Loans, Term SOFR Loans, Alternative Currency Loans and Letters of Credit	Base Rate Loans
1	A-/A3/A- or better	0.100%	0.775%	0.000%
2	BBB+/Baa1/BBB+	0.125%	0.875%	0.000%
3	BBB/Baa2/BBB	0.150%	0.975%	0.000%
4	BBB-/Baa3/BBB-	0.200%	1.175%	0.175%
5	BB+/Ba1/BB+ or lower	0.250%	1.375%	0.375%

Each change in the Applicable Rate resulting from a change in the Debt Rating shall be effective during the period commencing on the date the Company notifies the Administrative Agent thereof and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody’s, S&P or Fitch shall change, or if either such rating agency shall cease to be in the business of rating corporate debt obligations, the Company and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment, the Applicable Rate shall be determined by reference to the rating most recently in effect prior to such change or cessation.

“Applicable Time” means, with respect to any Borrowings and payments in any Alternative Currency, the local time in the place of settlement for such Alternative Currency as may be determined by the Administrative Agent or the applicable L/C Issuer, as the case may be, to be necessary for timely settlement on the relevant date in accordance with normal banking procedures in the place of payment.

“Applicant Borrower” has the meaning specified in Section 2.16(a).

“Approved Fund” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Approved Jurisdiction” means the United States, Canada, the United Kingdom and any other jurisdiction that is consented to by the Administrative Agent and all the Lenders.

“Arrangers” means, collectively, BofA Securities, Inc., BMO Capital Markets Corp., Barclays Bank PLC, Citibank, N.A., and JPMorgan Chase Bank, N.A., each in its capacity as joint lead arranger and joint bookrunner.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.06(b)), and accepted by the

Administrative Agent, in substantially the form of Exhibit E-1 or any other form (including electronic documentation generated by use of an electronic platform) approved by the Administrative Agent.

“Audited Financial Statements” means the audited consolidated balance sheet of the Company and its Subsidiaries for the fiscal year ended December 31, 2022, and the related consolidated statements of income or operations, shareholders’ equity and cash flows for such fiscal year of the Company and its Subsidiaries, including the notes thereto.

“Availability Period” means the period from and including the Closing Date to the earliest of (a) the Maturity Date, (b) the date of termination of the Aggregate Commitments pursuant to Section 2.06, and (c) the date of termination of the commitment of each Lender to make Loans and of the obligation of the L/C Issuers to make L/C Credit Extensions pursuant to Section 8.02.

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

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

“Bank of America” means Bank of America, N.A. and its successors.

“Base Rate” means for any day a fluctuating rate of interest per annum equal to the highest of (a) the Federal Funds Rate plus 1/2 of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its “prime rate,” (c) Term SOFR plus 1.00% and (d) 1.00%. The “prime rate” is a rate set by Bank of America based upon various factors including Bank of America’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change. If the Base Rate is being used as an alternate rate of interest pursuant to Section 3.03 hereof, then the Base Rate shall be the greater of clauses (a), (b) and (d) above and shall be determined without reference to clause (c) above.

“Base Rate Loan” means a Loan that bears interest based on the Base Rate. All Base Rate Loans are only available to U.S. Borrowers and shall be denominated in Dollars.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

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

“Borrower” and “Borrowers” have the meaning specified in the introductory paragraph hereto. “Borrower Materials” has the meaning specified in Section 6.02.

“Borrowing” means a Committed Borrowing.

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent’s Office is located; provided that:

(a) if such day relates to any interest rate settings as to an Alternative Currency Loan denominated in Euro, any fundings, disbursements, settlements and payments in Euro in respect of any such Alternative Currency Loan, or any other dealings in Euro to be carried out pursuant to this Agreement in respect of any such Alternative Currency Loan, means a Business Day that is also a TARGET Day;

(b) if such day relates to any interest rate settings as to an Alternative Currency Loan denominated in (i) Sterling, means a day other than a day banks are closed for general business in London because such day is a Saturday, Sunday or a legal holiday under the laws of the United Kingdom; (ii) Japanese Yen, means a day other than when banks are closed for general business in Japan; and (iii) Canadian Dollar, means a day other than a day banks are closed for general business and foreign exchange business in Toronto, Ontario because such day is a Saturday, Sunday or a statutory holiday;

(c) if such day relates to any interest rate settings as to an Alternative Currency Loan denominated in a currency other than, Euro, Sterling or Japanese Yen, means any such day on which dealings in deposits in the relevant currency are conducted by and between banks in the applicable offshore interbank market for such currency; and

(d) if such day relates to any fundings, disbursements, settlements and payments in a currency other than Euro in respect of an Alternative Currency Loan denominated in a currency other than Euro, or any other dealings in any currency other than Euro to be carried out pursuant to this Agreement in respect of any such Alternative Currency Loan (other than any interest rate settings), means any such day on which banks are open for foreign exchange business in the principal financial center of the country of such currency.

“Capital Lease” means any lease of Property which, in accordance with GAAP, would be required to be capitalized on the balance sheet of the lessee.

“Capitalized Lease Obligation” means the amount of the liability shown on the balance sheet of any Person in respect of a Capital Lease as determined in accordance with GAAP.

“Cash Collateralize” means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of one or more of the L/C Issuers or the Lenders, as collateral for L/C Obligations or obligations of the Lenders to fund participations in respect of L/C Obligations, cash or deposit account balances subject to a first priority perfected security interest in favor of the Administrative Agent or, if the Administrative Agent and the L/C Issuers shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to the Administrative Agent and the L/C Issuers. “Cash Collateral” shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

“Cash Flow Leverage Ratio” means, as of any time the same is to be determined, the ratio of (a) Funded Debt as of the last day of the most recent four fiscal quarters of the Company then ended *minus* Excess Cash as of the last day of the same such period to (b) EBITDA for the same most recent four fiscal quarters then ended.

~~“CDOR” means the greater of (i) the Floor and (ii) the yearly rate of interest equivalent to the Canadian Dollar Offered Rate for that specified term (or for the most comparable term selected by the Administrative Agent if there is no exactly comparable term) published on the Refinitiv Canadian Dollar Offered Rate (CDOR) Page as of 10:15 a.m. (Toronto time) on that day (or on the preceding Business Day, if such day is not a Business Day) or, if such page or service shall cease to be displayed or published, on such other page or service that displays or publishes the Canadian Dollar Offered Rate for bankers’ acceptances denominated in Canadian Dollars as the~~

Administrative Agent may select; provided that if that published rate is subsequently corrected and provided by Refinitiv on the Refinitiv Canadian Dollar Offered Rate (CDOR) Page (or any replacement therefor selected by the Administrative Agent) within the longer of one hour of the time when such rate is first published and the republication cut-off time for the Canadian Dollar Offered Rate, if any, as specified by Refinitiv in the CDOR benchmark methodology, that CDOR will be subject to those corrections:

“Change in Law” means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (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.

“Change of Control” means and includes any of the following:

(a) any person or group (within the meaning of Sections 13(d)(2) and 14(d)(2) of the Securities Exchange Act of 1934, as amended) is or becomes the beneficial owner, directly or indirectly, of 50% or more of the Voting Stock of the Company; or

(b) the Company shall, at any time, cease to own, directly or indirectly, 100% of the Equity Interests of any Borrower.

“Clean Energy Subsidiary” means (1) AJG Coal, Inc. and any permitted successor thereto, (2) each of the direct and indirect Subsidiaries of AJG Coal, Inc. and any permitted successor thereto and (3) any Person not constituting a Subsidiary to the extent an investment in such Person is accounted for in the Net Income of a Clean Energy Subsidiary; *provided* that such Clean Energy Subsidiary is principally engaged in the business of clean energy-related ventures; *provided further* that neither the Company nor any Restricted Subsidiary not constituting a Clean Energy Subsidiary shall be permitted to transfer, sell, assign (including by way of merger, liquidation or dissolution) any asset or business (other than any clean energy-related assets or business) to any Clean Energy Subsidiary.

“Closing Date” means the first date all the conditions precedent in Section 4.01 are satisfied or waived in accordance with Section 10.01.

“CME” means CME Group Benchmark Administration Limited. “Code” means the Internal Revenue Code of 1986.

“Collateral Account” has the meaning specified in Section 2.03(o).

“Commitment” means, as to each Lender, its obligation to (a) make Committed Loans to the Borrowers pursuant to Section 2.01 and (b) purchase participations in L/C Obligations, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender’s name on Schedule 2.01A or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

“Committed Borrowing” means a borrowing consisting of simultaneous Committed Loans of the same Type, in the same currency, and, in the case of Alternative Currency Term Rate Loans, having the same Interest Period made by each of the Lenders pursuant to Section 2.01.

“Committed Loan” has the meaning specified in Section 2.01.

“Committed Loan Notice” means a notice of (a) a Committed Borrowing, (b) a conversion of Committed Loans from one Type to the other, or (c) a continuation of Alternative Currency Term Rate Loans, pursuant to Section 2.02(a), which shall be substantially in the form of Exhibit A or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the applicable Borrower.

“Communication” means this Agreement, any Loan Document and any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to any Loan Document.

“Company” has the meaning specified in the introductory paragraph hereto.

“Company Guaranty” means the Company Guaranty made by the Company in favor of the Administrative Agent and the Lenders, substantially in the form of Exhibit E.

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

“Conforming Changes” means, with respect to the use, administration of or any conventions associated with SOFR, SONIA or any proposed Successor Rate for an Agreed Currency or Term SOFR, as applicable, any conforming changes to the definitions of “Base Rate”, “SOFR”, “SONIA”, “Term SOFR” and “Interest Period”, timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definitions of “Business Day” and “U.S. Government Securities Business Day”, timing of borrowing requests or prepayment, conversion or continuation notices and length of lookback periods) as may be appropriate, in the discretion of the Administrative Agent in consultation with the Company, to reflect the adoption and implementation of such applicable rate(s) and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice for such Agreed Currency (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such rate for such Agreed Currency exists, in such other manner of administration as the Administrative Agent determines is reasonably necessary in connection with the administration of this Agreement and any other Loan Document).

“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 Indebtedness” means, without duplication, all Indebtedness for Borrowed Money of the Company and its Restricted Subsidiaries, determined on a consolidated basis eliminating intercompany items.

“Consolidated Priority Indebtedness” means, without duplication, all Priority Indebtedness of the Company and its Restricted Subsidiaries determined on a consolidated basis eliminating intercompany items.

“Consolidated Total Assets” means, as of the date of any determination thereof and without duplication, total assets of the Company and its Restricted Subsidiaries determined on a consolidated basis in accordance with GAAP less, to the extent included therein, the Company’s investment in Unrestricted Subsidiaries.

“Consolidated Total Capitalization” means, as of the date of any determination thereof and without duplication, the sum of (a) Consolidated Indebtedness *plus* (b) Net Worth.

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

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

“Controlled Group” means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) that, together with the Company or any of its Subsidiaries, are treated as a single employer under Section 414 of the Code. For the avoidance of doubt, the Company and its Subsidiaries shall be members of the Controlled Group.

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

“Covered Entity” has the meaning specified in Section 10.23(b).

“Credit Extension” means each of the following: (a) a Borrowing and (b) an L/C Credit Extension. “Credit Increase Amendment” has the meaning specified in Section 2.15(g).

“Debt Rating” means, as of any date of determination, the rating as determined by S&P, Moody’s or Fitch (collectively, the “Debt Ratings”) of the Company’s non-credit-enhanced, senior unsecured long-term debt; provided that if the Debt Rating issued by each of S&P, Moody’s and Fitch are (i) in three different Pricing Levels, then the middle of such Debt Ratings shall apply or (ii) any two or more Debt Ratings are in the same Pricing Level, then such Pricing Level shall apply. If only two of S&P, Moody’s or Fitch provides a Debt Rating and such Debt Ratings fall in different Pricing Levels, then the higher of such Debt Rating shall apply, unless there is a split in Debt Ratings of more than one Pricing Level, in which case the Pricing Level that is one Pricing Level below the higher Debt Rating shall apply. If only one of S&P, Moody’s or Fitch provides a Debt Rating, that such Debt Rating shall apply. If no rating is provided by any of S&P, Moody’s or Fitch, Pricing Level 5 shall apply. For purposes of clarity, Pricing Level 5 is the “highest” Pricing Level and Pricing Level 1 is the “lowest” Pricing Level.

“Debtor Relief Laws” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

“Default” means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

“Default Rate” means (a) when used with respect to Obligations other than Letter of Credit Fees, an interest rate equal to (i) the Base Rate plus (ii) the Applicable Rate, if any, applicable to Base Rate Loans plus (iii) 2% per annum; provided, however, that with respect to a Term SOFR Loan, SOFR Daily Floating Rate Loan or an Alternative Currency Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Rate) otherwise applicable to such Loan plus 2% per annum, and (b) when used with respect to Letter of Credit Fees, a rate equal to the Applicable Rate plus 2% per annum.

“Defaulting Lender” means, subject to Section 2.17(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Company in writing that such failure is the result of such Lender’s determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, each L/C Issuer or any other Lender any other amount required to be paid by it

hereunder (including in respect of its participation in Letters of Credit) within two Business Days of the date when due, (b) has notified the Company, the Administrative Agent or any L/C Issuer in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Company, to confirm in writing to the Administrative Agent and the Company that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Company), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity, or (iii) become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.17(b)) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Company, each L/C Issuer and each other Lender promptly following such determination.

"Designated Borrower" has the meaning specified in the introductory paragraph hereto.

"Designated Borrower Notice" means the notice substantially in the form of Exhibit K attached hereto. "Designated Borrower Request and Assumption Agreement" means the notice substantially in the form of

Exhibit J attached hereto.

"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.

"Dividing Person" has the meaning assigned to it in the definition of "Division."

"Division" means the division of the assets, liabilities and/or obligations of a Person (the "Dividing Person") among two or more Persons (whether pursuant to a "plan of division" or similar arrangement), which may or may not include the Dividing Person and pursuant to which the Dividing Person may or may not survive.

"Dollar" and "₳" mean lawful money of the United States.

"Dollar Equivalent" means, for any amount, at the time of determination thereof, (a) if such amount is expressed in Dollars, such amount, (b) if such amount is expressed in an Alternative Currency, the equivalent of such amount in Dollars determined by using the rate of exchange for the purchase of Dollars with the Alternative Currency last provided (either by publication or otherwise provided to the Administrative Agent or any L/C Issuer, as applicable) by the applicable Bloomberg source (or such other publicly available source for displaying exchange rates) on the date that is two (2) Business Days immediately preceding the date of determination (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 or the L/C Issuer, as applicable 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 or the L/C Issuer, as applicable, using any method of determination it deems appropriate in its sole discretion. Any determination by the Administrative Agent or the L/C Issuer pursuant to clauses (b) or (c) above shall be conclusive absent manifest error.

“Domestic Subsidiary” means any Subsidiary that is organized under the laws of any political subdivision of the United States.

“EBIT” means, for any period, the sum, determined on a GAAP consolidated basis, without duplication, for the Company and its Restricted Subsidiaries of Net Income for such period *plus* all amounts deducted in determining Net Income for such period in respect of (a) Interest Expense, (b) income and franchise taxes and (c) to the extent also included in the corresponding calculation under the Note Purchase Agreements, the expense resulting from any change in estimated acquisition earnout payables, *minus* all amounts included in determining Net Income for such period in respect of (x) earnings of Unrestricted Subsidiaries and (y) to the extent also included in the corresponding calculation under the Note Purchase Agreements, the income resulting from any change in estimated acquisition earnout payables.

“EBITDA” means, for any period, determined on a GAAP consolidated basis, without duplication, for the Company and its Restricted Subsidiaries, the sum of EBIT for such period *plus* all amounts deducted in determining Net Income for such period in respect of (a) amortization, (b) depreciation, (c) non-cash stock-based compensation expense, (d) restructuring, workforce and lease termination charges, (e) any premiums or make-whole amounts paid in connection with the early extinguishment of Indebtedness for Borrowed Money, and (f) acquisition-related professional expenses; *minus* any gains attributable to the early extinguishment of Indebtedness for Borrowed Money.

Solely for the purposes of calculating EBITDA for the purposes of the Cash Flow Leverage Ratio, if during any period the Company or any Subsidiary shall have completed an acquisition, disposition, merger, consolidation, business combination or other similar transaction or has reported in its financial statements required to be delivered hereunder any discontinued operations (as defined under GAAP), then EBITDA for such period shall be adjusted on a *pro forma* basis, if relevant to the computation thereof, to include or exclude, as appropriate, the EBITDA relating to such acquisition, disposition, consolidated or merged business or entity, combined business or other similar transaction or such discontinued operations, in each case assuming that all such acquisitions dispositions, mergers, consolidations, business combinations or other similar transactions and discontinuations had occurred on the first day of such period; *provided* that in the case of an acquisition, merger, consolidation, business combination or other similar transaction with a purchase price paid at closing (as determined in good faith by a Responsible Officer)), excluding any earnouts that may be payable at any time, of \$50,000,000 or less, for the twelve months most recently ended (on an equal monthly basis) prior to consummation of such transaction, the acquired entity or the acquired business shall be deemed to have EBITDA equal to the purchase price thereof divided by 8.5. Any such *pro forma* adjustment shall be made in good faith by a responsible financial or accounting officer of the Company. The calculations included in the Compliance Certificate delivered pursuant to Section 6.01 shall set forth as a separate line item the net amount of any *pro forma* adjustments made pursuant to this paragraph and the basis for such adjustments. The Company agrees to provide any additional information relating to such *pro forma* adjustment as the Administrative Agent may reasonably request.

Solely for the purposes of (i) calculating EBIT and EBITDA (and the defined terms of this Agreement as used in such calculation) and (ii) any *pro forma* adjustment to EBITDA as provided in this Agreement, no Clean Energy Subsidiary shall be deemed to be a Restricted Subsidiary of the Company (and each Clean Energy Subsidiary shall be excluded from the calculation of EBITDA) if, during the relevant period, the aggregate tax credits generated by the Clean Energy Subsidiaries exceed the aggregate pre-tax losses generated by the Clean Energy Subsidiaries.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any

financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

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

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

“Electronic Copy” shall have the meaning specified in Section 10.17.

“Electronic Record” and “Electronic Signature” shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

“Eligible Assignee” means any Person that meets the requirements to be an assignee under Section 10.06(b)(iii), and (v) (subject to such consents, if any, as may be required under Section 10.06(b)(iii)).

“Eligible Currency” means any lawful currency other than Dollars that is readily available, freely transferable and convertible into Dollars in the international interbank market available to the Lenders or the L/C Issuer, as applicable, in such market and as to which a Dollar Equivalent may be readily calculated. If, after the designation by the Lenders or the L/C Issuer, as applicable, of any currency as an Alternative Currency (or if, with respect to any currency that constitutes an Alternative Currency on the Closing Date, after the Closing Date), any change in currency controls or exchange regulations or any change in the national or international financial, political or economic conditions are imposed in the country in which such currency is issued, result in, in the reasonable opinion of the Administrative Agent and the Required Lenders (in the case of any Committed Loans to be denominated in an Alternative Currency) or the L/C Issuer (in the case of any Letter of Credit to be denominated in an Alternative Currency), (a) such currency no longer being readily available, freely transferable and convertible into Dollars, (b) a Dollar Equivalent is no longer readily calculable with respect to such currency or (c) no longer a currency in which the Required Lenders are willing to make such Credit Extensions (each of clauses (a), (b), and (c) a “Disqualifying Event”), then the Administrative Agent shall promptly notify the Lenders and the Company, and such country’s currency shall no longer be an Alternative Currency until such time as the Disqualifying Event(s) no longer exist(s). Within ten (10) Business Days after receipt of such notice from the Administrative Agent, the applicable Borrower shall repay all Loans in such currency to which the Disqualifying Event applies or convert such Loans into the Dollar Equivalent of Loans in Dollars, subject to the other terms contained herein.

“Environmental Laws” means any and all Federal, state, local, and foreign statutes, laws (including common law), regulations, standards, ordinances, rules, judgments, interpretations, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of human health and safety, the environment and natural resources or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law, directly or indirectly relating to (a) 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, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all

of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Euro” and “€” mean the single currency of the Participating Member States. “Event of Default” has the meaning specified in Section 8.01.

“Excess Cash” means, as of any date the same is to be determined, 50% of cash and cash equivalents as set forth on the consolidated balance sheet of the Company most recently delivered to the Lenders hereunder attributable to the Company and its Restricted Subsidiaries (but not including the amounts set forth in the “Restricted cash” line item of such consolidated balance sheet, or any similar line item in the footnotes to the consolidated financial statements of the Company most recently delivered to the Lenders hereunder, attributable to the Company and its Restricted Subsidiaries (or, if no such line item appears in such consolidated balance sheet or such footnotes, amounts that would have been set forth in such line item if such consolidated financial statements were prepared in the same manner as the consolidated financial statements delivered to the Lenders for the three-month period ended March 31, 2023)).

“Excluded Taxes” means any of the following Taxes imposed on or with respect to any Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Company under Section 10.13) or (ii) such Lender changes its Lending Office, except in each case to the extent that, pursuant to Section 3.01, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient’s failure to comply with Section 3.01(g) and (d) any U.S. federal withholding Taxes imposed pursuant to FATCA.

“Existing Credit Agreement” means that Second Amended and Restated Multicurrency Credit Agreement dated as of June 7, 2019 among the Company, the other borrowers and lenders party thereto from time to time and Bank of Montreal as administrative agent (as amended from time to time).

“Existing Letters of Credit” means the letters of credit described on Schedule 1.01.

“FASB ASC” means the Accounting Standards Codification of the Financial Accounting Standards Board.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, and any agreements entered into pursuant to Section 1471(b)(1) of the Code or any fiscal or regulatory legislation, rules or practices adopted pursuant to any

intergovernmental agreement entered into in connection with the implementation of the withholding of U.S. tax under such Sections of the Code.

“Federal Funds Rate” means, for any day, the rate per annum calculated by the Federal Reserve Bank of New York based on such day’s federal funds transactions by depository institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the federal funds effective rate; provided that if the Federal Funds Rate as so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Fee Letter” means the letter agreement, dated May 12, 2023, among the Company, the Administrative Agent and the Arranger.

“Fitch” means Fitch, Inc. and any successor thereto.

“First Amendment Effective Date” means the “Amendment Effective Date” as defined in the First Amendment to Credit Agreement.

“First Amendment to Credit Agreement” means that certain First Amendment to Credit Agreement, dated as of November 7, 2023, among the Company, the Lenders party thereto and the Administrative Agent.

“Foreign Borrower” means any Borrower that is organized under the laws of a jurisdiction other than the United States, a state thereof or the District of Columbia.

“Foreign Lender” means, with respect to any Borrower (a) if such Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if such Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which such Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

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

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

“Fronting Exposure” means, at any time there is a Defaulting Lender, with respect to any L/C Issuer, such Defaulting Lender’s Applicable Percentage of the outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

“Fund” means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

“Funded Debt” means, at any time the same is to be determined, the aggregate of all Indebtedness for Borrowed Money of the Company and its Restricted Subsidiaries on a consolidated basis at such time *plus* all Indebtedness for Borrowed Money of any other Person which is directly or indirectly guaranteed by the Company or any of its Restricted Subsidiaries or which the Company or any of its Restricted Subsidiaries has agreed (contingently or otherwise) to purchase or otherwise acquire or in respect of which the Company or any of its Restricted Subsidiaries has otherwise assured a creditor against loss.

“GAAP” means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be

approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including the Financial Conduct Authority, the Prudential Regulation Authority and any supra-national bodies such as the European Union or the European Central Bank).

“Guarantee” means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any indebtedness or other obligation payable or performable by another Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any indebtedness or other obligation of any other Person, whether or not such indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term “Guarantee” as a verb has a corresponding meaning.

“Guarantors” means, collectively, the Company and each Subsidiary Guarantor.

“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.

“Indebtedness for Borrowed Money” means for any Person (without duplication) (i) all indebtedness created, assumed or incurred in any manner by such Person representing money borrowed (including by the issuance of debt securities), (ii) all indebtedness for the deferred purchase price of property or services (other than (a) trade accounts payable arising in the ordinary course of business which are not more than 90 days past due and (b) obligations to make earn-out payments in cash, debt instruments or capital stock, pursuant to acquisitions occurring prior to the date of this Agreement or permitted under this Agreement), (iii) all indebtedness secured by any Lien upon Property of such Person, whether or not such Person has assumed or become liable for the payment of such indebtedness, (iv) all Capitalized Lease Obligations of such Person, (v) all obligations of such Person on or with respect to letters of credit, bankers’ acceptances and other similar extensions of credit whether or not representing obligations for borrowed money, excluding, in each case, indebtedness which is non-recourse to such Person and its subsidiaries, and (vi) any Guarantee of such Person with respect to liabilities of a type described in any of clauses (i) through (v) hereof.

“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 (a), Other Taxes.

“Indemnitees” has the meaning specified in [Section 10.04\(b\)](#).

“Information” has the meaning specified in Section 10.07.

“Interest Coverage Ratio” means, as of any time the same is to be determined, the ratio of (a) EBITDA for the four (4) fiscal quarter period of the Company most recently ended to (b) Interest Expense paid or payable in cash during the same such four (4) fiscal quarter period.

“Interest Expense” means, with reference to any period, the sum of all interest charges (including imputed interest charges with respect to Capitalized Lease Obligations and all amortization of debt discount and expense and, for the avoidance of doubt, excluding any premiums or make-whole amounts paid in connection with the early extinguishment of Indebtedness for Borrowed Money) of the Company and its Restricted Subsidiaries for such period determined on a consolidated basis in accordance with GAAP excluding incremental interest charges resulting from consolidation under FIN 46.

“Interest Payment Date” means, (a) as to any Base Rate Loan, the last Business Day of each March, June, September and December and the Maturity Date, (b) as to any Alternative Currency Daily Rate Loan or SOFR Daily Floating Rate Loan, the last Business Day of each month and the Maturity Date and (c) as to any Term SOFR Loan or Alternative Currency Term Rate Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date; provided, however, that if any Interest Period for a Term SOFR Loan or an Alternative Currency Term Rate Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall be Interest Payment Dates.

“Interest Period” means as to each Term SOFR Loan or Alternative Currency Term Rate Loan, the period commencing on the date such Term SOFR Loan or Alternative Currency Term Rate Loan is disbursed or converted to or continued as an Term SOFR Loan or Alternative Currency Term Rate Loan and ending on the date (a), in the case of Canadian Benchmark advances, one or three months thereafter and (b) in the case of Term SOFR Loan or any other Alternative Currency Term Rate Loan, one, three or six months thereafter (in each case, subject to availability for the interest rate applicable to the relevant currency, as selected by the applicable Borrower in its applicable Committed Loan Notice); provided that:

(i) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(ii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(iii) no Interest Period shall extend beyond the Maturity Date.

“Investment” means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor Guarantees indebtedness of such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

“IRS” means the United States Internal Revenue Service.

“ISP” means 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).

“Issuer Documents” means with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by any L/C Issuer and a Borrower (or any Subsidiary) or in favor of such L/C Issuer and relating to such Letter of Credit.

“Judgment Currency” has the meaning specified in Section 10.23.

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

“L/C Advance” means, with respect to each Lender, such Lender’s funding of its participation in any L/C Borrowing in accordance with its Applicable Percentage. All L/C Advances shall be denominated in Dollars.

“L/C Borrowing” means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Committed Borrowing. All L/C Borrowings shall be denominated in Dollars.

“L/C Commitment” means, with respect to each L/C Issuer, the commitment of such L/C Issuer to issue Letters of Credit hereunder. The initial amount of each L/C Issuer’s Letter of Credit Commitment is set forth on Schedule 2.01B, or if an L/C Issuer has entered into an Assignment and Assumption or has otherwise assumed a Letter of Credit Commitment after the Closing Date, the amount set forth for such L/C Issuer as its Letter of Credit Commitment in the Register maintained by the Administrative Agent. The Letter of Credit Commitment of an L/C Issuer may be modified from time to time by agreement between such L/C Issuer and the Company, and notified to the Administrative Agent.

“L/C Credit Extension” means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

“L/C Disbursement” means a payment made by an L/C Issuer pursuant to a Letter of Credit.

“L/C Issuer” means Bank of America (through itself or through one of its designated Affiliates or branch offices), in its capacity as issuer of Letters of Credit hereunder, and each other Lender (if any) as the Company may from time to time select as an L/C Issuer hereunder pursuant to Section 2.03; provided that such Lender has agreed to be an L/C Issuer. Any L/C Issuer may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such L/C Issuer, in which case the term “L/C Issuer” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate. For the avoidance of doubt, Bank of Montreal is an L/C Issuer solely with respect to the Existing Letters of Credit listed on Schedule 1.01 as of the Closing Date.

“L/C Obligations” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time, including any automatic or scheduled increases provided for by the terms of such Letters of Credit, determined without regard to whether any conditions to drawing could be met at that time, plus (b) the aggregate amount of all Unreimbursed Amounts, including all L/C Borrowings. The L/C Obligations of any Lender at any time shall be its Applicable Percentage of the total L/C Obligations 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 Rule 3.13 or Rule 3.14 of the ISP 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 Borrowers and each Lender shall remain in full force and effect until the L/C Issuers and the Lenders shall have no further obligations to make any payments or disbursements under any circumstances with respect to any Letter of Credit.

“Lender” has the meaning specified in the introductory paragraph hereto.

“Lender Parties” and “Lender Recipient Parties” mean, collectively, the Lenders and the L/C Issuers. “Lending Office” means, as to any Lender, the office or offices of such Lender described as such in such Lender’s Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Company and the Administrative Agent, which office may include any Affiliate of such Lender or any domestic or foreign branch of such Lender or such Affiliate. Unless the context otherwise requires each reference to a Lender shall include its applicable Lending Office.

“Letter of Credit” means any standby letter of credit issued hereunder providing for the payment of cash upon the honoring of a presentation thereunder and shall include the Existing Letters of Credit. Letters of Credit may be issued in Dollars or in an Alternative Currency.

“Letter of Credit Application” means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the applicable L/C Issuer.

“Letter of Credit Fee” has the meaning specified in Section 2.03(j).

“Letter of Credit Report” means a certificate substantially in the form approved by the Administrative Agent.

“Lien” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, easement, right-of-way or other encumbrance on title to real property, lien (statutory or other), charge or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, and any financing lease having substantially the same economic effect as any of the foregoing).

“Loan” means an extension of credit by a Lender to a Borrower under Article II in the form of a Committed Loan.

“Loan Documents” means this Agreement, including schedules and exhibits hereto, each Note, each Issuer Document, each Designated Borrower Request and Assumption Agreement, any agreement creating or perfecting rights in Cash Collateral pursuant to the provisions of Section 2.16 of this Agreement, the Company Guaranty, the Subsidiary Guaranty and any amendments, modifications or supplements hereto or to any other Loan Document or waivers hereof or to any other Loan Document.

“Loan Parties” means, collectively, the Company and each Designated Borrower and each Guarantor. “Material Adverse Effect” means (a) a material adverse change in, or material adverse effect upon, the operations, business, Property or condition (financial or otherwise) of the Company or of the Company and its Restricted Subsidiaries taken as a whole, (b) a material impairment of the ability of the Company and its Restricted Subsidiaries, taken as a whole, to perform their obligations under this Agreement, the Notes, the Applications, or the Letters of Credit, as applicable, or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Borrowers and the Guarantors, taken as a whole, of this Agreement, the Notes, the Applications, or the Letters of Credit, as applicable, or the rights and remedies of the Administrative Agent, the L/C Issuer or the Lenders thereunder.

“Material Subsidiary” means each Restricted Subsidiary that is a Loan Party or that is a “significant subsidiary” of the Company, as the term “significant subsidiary” is defined in Regulation S-X promulgated by the SEC.

“Maturity Date” means June 22, 2028; provided, however, that if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day.

“Maximum Rate” has the meaning specified in Section 10.09.

“Minimum Collateral Amount” means, at any time, (i) with respect to Cash Collateral consisting of cash or deposit account balances, an amount equal to 103% of the Fronting Exposure of all L/C Issuers with respect to Letters of Credit issued and outstanding at such time and (ii) otherwise, an amount determined by the Administrative Agent and the L/C Issuers in their sole discretion.

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

“Net Worth” means, at any time the same is to be determined, the total shareholders’ equity (including capital stock, additional paid-in capital and retained earnings after deducting treasury stock, but excluding minority interests in Subsidiaries) which would appear on the balance sheet of the Company and its Restricted Subsidiaries determined on a consolidated basis in accordance with GAAP less, to the extent included therein, the Company’s investment in Unrestricted Subsidiaries.

“Non-Consenting Lender” means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all Lenders or all affected Lenders in accordance with the terms of Section 10.01 and (b) has been approved by the Required Lenders.

“Non-Defaulting Lender” means, at any time, each Lender that is not a Defaulting Lender at such time. “Non-Extension Notice Date” has the meaning specified in Section 2.03(b).

“Non-SOFR Successor Rate” has the meaning specified in Section 3.03(c).

“Note” means a promissory note made by the Borrowers in favor of a Lender evidencing Loans made by such Lender, substantially in the form of Exhibit C.

“Note Purchase Agreements” means, collectively, the (i) Note Purchase Agreement, dated as of December 20, 2013, by and among the Obligors (as defined therein), on one hand, and the Purchasers (as defined therein) listed on Schedule A thereto, on the other hand, as amended by the First Amendment thereto dated as of June 24, 2014, the Second Amendment thereto dated as of June 2, 2016, the Third Amendment thereto dated as of June 13, 2018 and the Fourth Amendment thereto dated as of December 20, 2018 and as further amended, modified, supplemented or restated from time to time, (ii) Note Purchase Agreement, dated as of June 24, 2014, by and among the Obligors (as defined therein), on one hand, and the Purchasers (as defined therein) listed on Schedule A thereto, on the other hand, as amended by the First Amendment thereto dated as of June 2, 2016, the Second Amendment thereto dated as of June 13, 2018 and the Third Amendment thereto dated as of December 20, 2018 and as further amended, modified, supplemented or restated from time to time, (iii) Note Purchase Agreement, dated as of June 2, 2016, by and among the Obligors (as defined therein), on one hand, and the Purchasers (as defined therein) listed on Schedule A thereto, on the other hand, as amended by the First Amendment thereto dated as of June 13, 2018 and the Second Amendment thereto dated as of December 20, 2018 and as further amended, modified, supplemented or restated from time to time, (iv) Note Purchase and Private Shelf Agreement, dated as of December 1, 2016, by and among Obligors (as defined therein), on one hand, and the Initial Purchasers (as defined therein), PGIM, Inc. and certain other affiliates of PGIM, Inc., on the other hand, as amended by Amendment No. 1 thereto dated as of July 13, 2017, the Second Amendment thereto dated as of June 13, 2018, the Third Amendment thereto dated as of December 20, 2018 and the Fourth Amendment thereto dated June 11, 2019 and as further amended, modified, supplemented or restated from time to time, (v) Note Purchase Agreement, dated as of June 27, 2017, by and among the Obligors (as defined therein), on one hand, and the Purchasers (as defined therein) listed on Schedule A thereto, on the other hand, as amended by the First Amendment thereto dated as of June 13, 2018 and the Second Amendment thereto dated as of December 20, 2018 and as further amended, modified, supplemented or restated from time to time, (vi) Note Purchase Agreement, dated as of June 13, 2018, by and among the Obligors (as defined therein), on one hand,

and the Purchasers (as defined therein) listed on Schedule A thereto, on the other hand, as amended by the First Amendment thereto dated as of December 20, 2018 and as further amended, modified, supplemented or restated from time to time, (vii) Note Purchase Agreement, dated as of February 13, 2019, by and among the Obligors (as defined therein), on one hand, and the Purchasers (as defined therein) listed on Schedule A thereto, on the other hand, as amended, modified, supplemented or restated from time to time, (viii) Note Purchase Agreement, dated as of January 30, 2020, by and among the Obligors (as defined therein), on one hand, and the Purchasers (as defined therein) listed on Schedule A thereto, on the other hand, as amended, modified, supplemented or restated from time to time and (ix) Note Purchase Agreement, dated as of February 10, 2021, by and among the Obligors (as defined therein), on one hand, and the Purchasers (as defined therein) listed on Schedule A thereto, on the other hand, as amended, modified, supplemented or restated from time to time.

“Notice of Additional L/C Issuer” means a certificate substantially in the form approved by the Administrative Agent.

“Obligations” means all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the foregoing, the Obligations include (a) the obligation to pay principal, interest, Letter of Credit commissions, charges, expenses, fees, indemnities and other amounts payable by any Loan Party under any Loan Document and (b) the obligation of the Loan Parties to reimburse any amount in respect of any of the foregoing that the Administrative Agent or any Lender, in each case in its sole discretion, may elect to pay or advance on behalf of the Loan Parties.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury. “Organization Documents” means, (a) with respect to any corporation, the charter or certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating or limited liability agreement (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction) and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction).

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to [Section 3.06](#)).

“Outstanding Amount” means (i) with respect to Committed Loans on any date, the Dollar Equivalent Amount of the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Committed Loans, as the case may be, occurring on such date; and (ii) with respect to

any L/C Obligations on any date, the Dollar Equivalent Amount of the aggregate outstanding amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the Borrowers of Unreimbursed Amounts.

“Overnight Rate” means, for any day, (a) with respect to any amount denominated in Dollars, the greater of (i) the Federal Funds Rate and (ii) an overnight rate determined by the Administrative Agent or the L/C Issuers, as the case may be, in accordance with banking industry rules on interbank compensation, and (b) with respect to any amount denominated in an Alternative Currency, an overnight rate determined by the Administrative Agent or the L/C Issuers, as the case may be, in accordance with banking industry rules on interbank compensation.

“Participant” has the meaning specified in Section 10.06(d). “Participant Register” has the meaning specified in Section 10.06(d).

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

“PBGC” means the Pension Benefit Guaranty Corporation or any Person succeeding to any or all of its functions under ERISA.

“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 covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code that (i) is maintained or contributed to by a member of the Controlled Group for employees of a member of the Controlled Group, (ii) is maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which a member of the Controlled Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions or (iii) with respect to which a member of the Controlled Group has any liability.

“Platform” means IntraLinks, Syndtrak, ClearPar, or a substantially similar electronic transmission system. “Premium Finance Subsidiary” means a Subsidiary that engages in the business of financing insurance policy premiums.

“Priority Indebtedness” means, without duplication (a) any Indebtedness for Borrowed Money of the Company or a Restricted Subsidiary secured by a Lien permitted by Section 7.03(j) and (b) any Indebtedness for Borrowed Money of the Company’s Restricted Subsidiaries; provided that there shall be excluded from any calculation of Priority Indebtedness: (i) the Indebtedness for Borrowed Money of any Borrower or Guarantor (other than Indebtedness for Borrowed Money of any Borrower or Guarantor secured by a Lien permitted by Section 7.03(j)), (ii) the Indebtedness for Borrowed Money of any Restricted Subsidiary owing to the Company or a Wholly-Owned Restricted Subsidiary of the Company, and (iii) with respect to any Person which becomes a Restricted Subsidiary after the Closing Date, Indebtedness for Borrowed Money of such Person existing at the time such Person became a Restricted Subsidiary and any extension, renewal or refunding thereof, provided that such Indebtedness for Borrowed Money was not incurred in contemplation of such Person becoming a Restricted Subsidiary.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Public Lender” has the meaning specified in Section 6.02.

“Rate Determination Date” means two (2) Business Days prior to the commencement of such Interest Period (or such other day as is generally treated as the rate fixing day by market practice in such interbank market, as determined by the Administrative Agent; provided that, to the extent such market practice is not administratively feasible for the Administrative Agent, then “Rate Determination Date” means such other day as otherwise reasonably determined by the Administrative Agent).

“Recipient” means the Administrative Agent, any Lender, any L/C Issuer or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder.

“Register” has the meaning specified in Section 10.06(c).

“Regulation U” means Regulation U of the FRB, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

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

“Relevant Rate” means with respect to any Credit Extension denominated in (a) Dollars, Term SOFR or SOFR Daily Floating Rate, (b) Sterling, SONIA, (c) Euros, EURIBOR, (d) Canadian Dollars, ~~the CDOR~~ Term CORRA, (e) Japanese Yen, TIBOR, (f) Australian Dollars, BBSY and (g) New Zealand Dollars, BKBM, as applicable.

“Request for Credit Extension” means (a) with respect to a Borrowing, conversion or continuation of Committed Loans, a Committed Loan Notice and (b) with respect to an L/C Credit Extension, a Letter of Credit Application.

“Required Lenders” means, at any time, Lenders having Total Credit Exposures representing more than 50% of the Total Credit Exposures of all Lenders at such time. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time; provided that, the amount of any participation in any Unreimbursed Amounts that such Defaulting Lender has failed to fund that have not been reallocated to and funded by another Lender shall be deemed to be held by the Lender that is the applicable L/C Issuer, as the case may be, in making such determination; provided further, that this definition is subject to Section 3.03.

“Rescindable Amount” has the meaning as specified in Section 2.12(b)(ii). “Resignation Effective Date” has the meaning specified in Section 9.06(a).

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

“Responsible Officer” means the chief executive officer, president, chief financial officer, treasurer, assistant treasurer or controller of a Loan Party (or an equivalent or comparable person in the case of any Foreign Subsidiary that is a Loan Party), and solely for purposes of the delivery of incumbency certificates pursuant to Section 4.01, the secretary or any assistant secretary of a Loan Party (or an equivalent or comparable person in the case of any Foreign Subsidiary that is a Loan Party) and, solely for purposes of notices given pursuant to Article II, any other officer or employee (or, in the case of any Foreign Subsidiary, other person performing the relevant functions, such as a manager or director) of the applicable Loan Party so designated by any of the foregoing officers in a notice to the Administrative Agent or any other officer or employee (or, in the case of any Foreign Subsidiary,

other person performing the relevant functions, such as a manager or director) of the applicable Loan Party designated in or pursuant to an agreement between the applicable Loan Party and the Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

“Restricted Subsidiary” shall mean (a) any Subsidiary that is a Borrower or Guarantor and (b) any Subsidiary that is not an Unrestricted Subsidiary.

“Revaluation Date” means (a) with respect to any Committed Loan, each of the following: (i) each date of a Borrowing of an Alternative Currency Loan, (ii) with respect to an Alternative Currency Daily Rate Loan, each Interest Payment Date, (iii) each date of a continuation of an Alternative Currency Term Rate Loan pursuant to Section 2.02, and (iii) such additional dates as the Administrative Agent shall determine or the Required Lenders shall require; and (b) with respect to any Letter of Credit, each of the following: (i) each date of issuance, amendment and/or extension of a Letter of Credit denominated in an Alternative Currency, (ii) each date of any payment by the applicable L/C Issuer under any Letter of Credit denominated in an Alternative Currency, (iii) in the case of all Existing Letters of Credit denominated in Alternative Currencies, the Closing Date, and (iv) such additional dates as the Administrative Agent or the applicable L/C Issuer shall determine or the Required Lenders shall require.

“Revolving Credit Exposure” means, as to any Lender at any time, the aggregate principal amount at such time of its outstanding Committed Loans and such Lender’s participation in L/C Obligations at such time.

“S&P” means Standard & Poor’s Financial Services LLC, a subsidiary of S&P Global Inc., and any successor thereto.

“Same Day Funds” means (a) with respect to disbursements and payments in Dollars, immediately available funds, and (b) with respect to disbursements and payments in an Alternative Currency, same day or other funds as may be determined by the Administrative Agent or the L/C Issuers, as the case may be, to be customary in the place of disbursement or payment for the settlement of international banking transactions in the relevant Alternative Currency.

“Sanctioned Country” means a country, region or territory that is the subject of a Sanctions Program (at the time of this Agreement, the Crimea, so-called Donetsk People’s Republic, so-called Luhansk People’s Republic, and non-government controlled areas of the Zaporizhzhia and Kherson regions of Ukraine; Cuba; Iran; North Korea; and Syria).

“Sanctioned Person” means (a) a Person named on a Sanctions List, each Person owned fifty percent (50%) or more or controlled by a Person or Persons named on a Sanctions List, and each other Person that is the subject of a Sanctions Program, (b) an agency or government of a Sanctioned Country, (c) an organization controlled directly or indirectly by a Sanctioned Country, or (d) a Person located, organized or resident in a Sanctioned Country.

“Sanctions Event” means the event specified in Section 6.09(b).

“Sanctions Lists” means, and includes, (a) the list of Specially Designated Nationals and Blocked Persons maintained by OFAC, (b) the list of Sectoral Sanctions Identifications maintained by OFAC, (c) the list of Foreign Sanctions Evaders maintained by OFAC, and (d) any similar list maintained by the U.S. State Department, the U.S. Department of the Treasury, or any other U.S. Governmental Authority, or maintained by a Canadian Governmental Authority, United Kingdom Governmental Authority, the United Nations Security Council, or the European Union.

“Sanctions Programs” means (a) all economic, trade, and financial sanctions programs administered by OFAC (including all laws, regulations, and Executive Orders administered by OFAC), the U.S. State Department, and any other U.S. Governmental Authority, and any and all similar United States federal laws, regulations or Executive Orders, and (b) to the extent applicable, all similar economic, trade, and financial sanctions programs

administered, enacted, or enforced by the European Union, the United Nations Security Council, or the United Kingdom.

“Scheduled Unavailability Date” has the meaning specified in Section 3.03(b).

“SEC” means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

“SOFR” means the Secured Overnight Financing Rate as administered by the Federal Reserve Bank of New York (or a successor administrator).

“SOFR Adjustment” means 0.10% (10 basis points) per annum.

“SOFR Administrator” means the Federal Reserve Bank of New York, as the administrator of SOFR, or any successor administrator of SOFR designated by the Federal Reserve Bank of New York or other Person acting as the SOFR Administrator at such time that is satisfactory to the Administrative Agent.

“SOFR Daily Floating Rate” means, for any day, a fluctuating rate of interest, which can change on each Business Day, equal to the Term SOFR Screen Rate two (2) U.S. Government Securities Business Days prior to such day, with a term equivalent to one (1) month beginning on that date; provided, that, if the rate is not published prior to 11:00 a.m. on such determination date then the SOFR Daily Floating Rate means such Term SOFR Screen Rate on the first (1st) U.S. Government Securities Business Day immediately prior thereto, in each case, plus the SOFR Adjustment; provided, further, that, if the SOFR Daily Floating Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

“SOFR Daily Floating Rate Loan” means a Loan that bears interest at a rate based on the definition of SOFR Daily Floating Rate.

“SOFR Scheduled Unavailability Date” has the meaning specified in Section 3.03(c).

“SONIA” means, with respect to any applicable determination date, the Sterling Overnight Index Average Reference Rate published on the fifth Business Day preceding such date on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time); provided however that if such determination date is not a Business Day, SONIA means such rate that applied on the first Business Day immediately prior thereto.

“Special Notice Currency” means at any time an Alternative Currency, other than the currency of a country that is a member of the Organization for Economic Cooperation and Development at such time located in North America or Europe.

“Subsidiary” of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of the Company.

“Subsidiary Guarantors” means, collectively, each Subsidiary party to the Subsidiary Guaranty. As of the Closing Date, there are no Subsidiary Guarantors.

“Subsidiary Guaranty” means the Subsidiary Guaranty to be made by any Subsidiary Guarantors in favor of the Administrative Agent and the Lenders, substantially in the form of Exhibit G.

“Successor Rate” has the meaning specified in Section 3.03(c).

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement.

“T2” means the real time gross settlement system operated by the Eurosystem, or any successor system. “TARGET Day” means any day on which T2 is open for the settlement of payments in Euro.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term CORRA Adjustment” means (i) 0.29547% (29.547 basis points) for an Interest Period of one-month’s duration and 0.32138% (32.138 basis points) for an Interest Period of three-months’ duration.

“Term SOFR” means:

(a) for any Interest Period with respect to a Term SOFR Loan, the rate per annum equal to the Term SOFR Screen Rate two (2) U.S. Government Securities Business Days prior to the commencement of such Interest Period with a term equivalent to such Interest Period; provided that if the rate is not published prior to 11:00 a.m. on such determination date then Term SOFR means the Term SOFR Screen Rate on the first U.S. Government Securities Business Day immediately prior thereto, in each case, *plus* the SOFR Adjustment for such Interest Period; and

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to the Term SOFR Screen Rate two U.S. Government Securities Business Days prior to such date with a term of one month commencing that day; provided that if the rate is not published prior to 11:00 a.m. on such determination date then Term SOFR means the Term SOFR Screen Rate on the first U.S. Government Securities Business Day immediately prior thereto, in each case, plus the SOFR Adjustment for such term;

provided that if the Term SOFR determined in accordance with either of the foregoing provisions (a) or (b) of this definition would otherwise be less than zero, the Term SOFR shall be deemed zero for purposes of this Agreement.

“Term SOFR Loan” means a Committed Loan that bears interest at a rate based on clause (a) of the definition of Term SOFR.

“Term SOFR Screen Rate” means the forward-looking SOFR term rate administered by CME (or any successor administrator satisfactory to the Administrative Agent) and published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time).

“Total Credit Exposure” means, as to any Lender at any time, the unused Commitments and Revolving Credit Exposure of such Lender at such time.

“Total Outstandings” means, as of any date of determination, the aggregate Outstanding Amount of all Loans and all L/C Obligations as of such date.

“Type” means, with respect to a Committed Loan, its character as a Base Rate Loan, a SOFR Daily Floating Rate Loan, a Term SOFR Loan, an Alternative Currency Daily Rate Loan or an Alternative Currency Term Rate Loan.

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

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

“Unfunded Vested Liabilities” means, for any Plan at any time, the amount (if any) by which the present value of all vested nonforfeitable accrued benefits under such Plan exceeds the fair market value of all Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plan.

“United States” and “U.S.” mean the United States of America. “Unreimbursed Amount” has the meaning specified in Section 2.03(f).

“Unrestricted Subsidiary” shall mean any Premium Finance Subsidiary that is (a) existing on the Closing Date and identified as a Premium Finance Subsidiary on Schedule 5.02 hereto, (b) newly formed or acquired by the Company or any Subsidiary on or after the Closing Date, (c) created in connection with a reorganization of a Premium Finance Subsidiary on or after the Closing Date and that is a successor to any portion of such Premium Finance Subsidiary’s business, other than a Borrower or a Guarantor, that (i) the Company has designated as an Unrestricted Subsidiary on the Closing Date or within 30 days of the date of acquisition or formation of such Premium Finance Subsidiary by the Company or any Subsidiary (or, if later, within 30 days of the date such Subsidiary becomes a Premium Finance Subsidiary) or (ii) has been designated as an Unrestricted Subsidiary in accordance with the provisions of Section 6.10 hereof or (d) an “Unrestricted Subsidiary” in any Note Purchase Agreement and has been designated as an Unrestricted Subsidiary in accordance with the provisions of Section 6.10 hereof.

“U.S. Borrower” means any Borrower that is organized under the laws of the United States, any state thereof or the District of Columbia.

“U.S. Government Securities Business Day” means any Business Day, except any Business Day on which any of the Securities Industry and Financial Markets Association, the New York Stock Exchange or the Federal Reserve Bank of New York is not open for business because such day is a legal holiday under the federal laws of the United States or the laws of the State of New York, as applicable.

“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a) (30) of the Code.

“U.S. Tax Compliance Certificate” has the meaning specified in Section 3.01(g)(ii)(B)(III).

“Voting Stock” means, with respect to any Person, the capital stock of any class or classes or other equity interests (however designated) having ordinary voting power for the election of directors or similar governing body

of such Person, other than stock or other equity interests having such power only by reason of the happening of a contingency.

“Welfare Plan” means a “*welfare plan*”, as defined in Section 3(1) of ERISA.

“Wholly-Owned” means, with respect to any Subsidiary, a Subsidiary of which all of the issued and outstanding shares of capital stock (other than directors’ qualifying shares as required by law) or other equity interests are owned by the Company and/or one or more Wholly-Owned Subsidiaries of the Company within the meaning of this definition.

“Withholding Agent” means any Borrower and the Administrative Agent.

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

1.02 Other Interpretive Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iii) the words “hereto,” “herein,” “hereof” and “hereunder,” and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law, rule or regulation shall, unless otherwise specified, refer to such law, rule or regulation as amended, modified or supplemented from time to time, and (vi) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including,” the words “to” and “until” each mean “to but excluding,” and the word “through” means “to and including.”

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

(d) Any reference herein to a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a division of or by a limited liability company, or an allocation of assets to a series of a limited liability company (or the unwinding of such a division or

allocation), as if it were a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale, disposition or transfer, or similar term, as applicable, to, of or with a separate Person. Any division of a limited liability company shall constitute a separate Person hereunder (and each division of any limited liability company that is a Subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

1.03 Accounting Terms.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, indebtedness of the Company and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 on financial liabilities shall be disregarded.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Company or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Company shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (A) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (B) the Company shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

1.04 Rounding. Any financial ratios required to be maintained by the Company pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (rounding-up if there is no nearest number).

1.05 Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

1.06 Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the Dollar Equivalent of the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the Dollar Equivalent of the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

1.07 Interest Rates. The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to any reference rate referred to herein or with respect to any rate (including, for the avoidance of doubt, the selection of such rate and any related spread or other adjustment) that is an alternative or replacement for or successor to any such rate (including, without limitation, any Successor Rate) (or any component of any of the foregoing) or the effect of any of the foregoing, or of any Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions or other activities that affect any reference rate referred to herein, or any alternative, successor or replacement rate (including, without limitation, any Successor Rate) (or any component of any of the foregoing) or any related spread or other adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any reference rate referred to herein or any alternative, successor or replacement rate (including, without limitation, any Successor Rate) (or any component of any of the foregoing), in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person

or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or other action or omission related to or affecting the selection, determination, or calculation of any rate (or component thereof) provided by any such information source or service.

1.08 Exchange Rates; Currency Equivalents.

(a) The Administrative Agent or any L/C Issuer, as applicable, shall determine the Dollar Equivalent amounts of Credit Extensions and Outstanding Amounts denominated in Alternative Currencies. Such Dollar Equivalent shall become effective as of such Revaluation Date and shall be the Dollar Equivalent of such amounts until the next Revaluation Date to occur. Except for purposes of financial statements delivered by Loan Parties hereunder or calculating financial covenants hereunder or except as otherwise provided herein, the applicable amount of any currency (other than Dollars) for purposes of the Loan Documents shall be such Dollar Equivalent amount as so determined by the Administrative Agent or any L/C Issuer, as applicable.

(b) Wherever in this Agreement in connection with a Borrowing, conversion, continuation or prepayment of an Alternative Currency 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 an Alternative Currency, such amount shall be the relevant Alternative Currency Equivalent of such Dollar amount (rounded to the nearest unit of such Alternative Currency, with 0.5 of a unit being rounded upward), as determined by the Administrative Agent or any L/C Issuer, as the case may be.

1.09 Additional Alternative Currencies.

(a) The Company may from time to time request that Alternative Currency Loans be made and/or Letters of Credit be issued in a currency other than those specifically listed in the definition of "Alternative Currency"; provided that such requested currency is an Eligible Currency. In the case of any such request with respect to the making of Alternative Currency Loans, such request shall be subject to the approval of the Administrative Agent and each Lender, in their reasonable discretion; and in the case of any such request with respect to the issuance of Letters of Credit, such request shall be subject to the approval of the Administrative Agent and any L/C Issuer, in their reasonable discretion.

(b) Any such request shall be made to the Administrative Agent not later than 11:00 a.m., fifteen (15) Business Days prior to the date of the desired Credit Extension (or such other time or date as may be agreed by the Administrative Agent and, in the case of any such request pertaining to Letters of Credit, the L/C Issuer, in its or their sole discretion). In the case of any such request pertaining to Alternative Currency Loans, the Administrative Agent shall promptly notify each Lender thereof; and in the case of any such request pertaining to Letters of Credit, the Administrative Agent shall promptly notify the applicable L/C Issuers thereof. Each Lender (in the case of any such request pertaining to Alternative Currency Loans) or each L/C Issuer (in the case of a request pertaining to Letters of Credit) shall notify the Administrative Agent, not later than 11:00 a.m., seven (7) Business Days after receipt of such request whether it consents, in its sole discretion, to the making of Alternative Currency Loans or the issuance of Letters of Credit, as the case may be, in such requested currency.

(c) Any failure by a Lender or a L/C Issuer, as the case may be, to respond to such request within the time period specified in the preceding sentence shall be deemed to be a refusal by such Lender or such L/C Issuer, as the case may be, to permit Alternative Currency Loans to be made or Letters of Credit to be issued in such requested currency. If the Administrative Agent and all the Lenders consent to making Alternative Currency Loans in such requested currency and the Administrative Agent and such Lenders reasonably determine that an appropriate interest rate is available to be used for such requested currency, the Administrative Agent shall so notify the Company and

(i) the Administrative Agent and such Lenders may amend the definition of Alternative Currency Daily Rate or Alternative Currency Term Rate to the extent necessary to add the applicable rate for such currency and any applicable adjustment for such rate and (ii) to the extent the definition of Alternative Currency Daily Rate or Alternative Currency Term Rate, as applicable, has been amended to reflect the appropriate rate for such currency, such currency shall thereupon be deemed for all purposes to be an Alternative Currency for purposes of any

Borrowings of Alternative Currency Loans. If the Administrative Agent and the L/C Issuers consent to the issuance of Letters of Credit in such requested currency, the Administrative Agent shall so notify the Company and (i) the Administrative Agent and the L/C Issuers may amend the definition of Alternative Currency Daily Rate or Alternative Currency Term Rate, as applicable, to the extent necessary to add the applicable rate for such currency and any applicable adjustment for such rate and (ii) to the extent the definition of Alternative Currency Daily Rate or Alternative Currency Term Rate, as applicable, has been amended to reflect the appropriate rate for such currency, such currency shall thereupon be deemed for all purposes to be an Alternative Currency, for purposes of any Letter of Credit issuances. If the Administrative Agent shall fail to obtain consent to any request for an additional currency under this [Section 1.09](#), the Administrative Agent shall promptly so notify the Company. Any specified currency of an Existing Letter of Credit that is neither Dollars nor one of the Alternative Currencies specifically listed in the definition of “Alternative Currency” shall be deemed an Alternative Currency with respect to such Existing Letter of Credit only.

1.10 Change of Currency.

(a) Each obligation of the Borrowers to make a payment denominated in the national currency unit of any member state of the European Union that adopts the Euro as its lawful currency after the Closing Date shall be redenominated into Euro at the time of such adoption. If, in relation to the currency of any such member state, the basis of accrual of interest expressed in this Agreement in respect of that currency shall be inconsistent with any convention or practice in the interbank market for the basis of accrual of interest in respect of the Euro, such expressed basis shall be replaced by such convention or practice with effect from the date on which such member state adopts the Euro as its lawful currency; provided that, if any Borrowing in the currency of such member state is outstanding immediately prior to such date, such replacement shall take effect, with respect to such Borrowing, at the end of the then current Interest Period.

(b) Each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify to be appropriate to reflect the adoption of the Euro by any member state of the European Union and any relevant market conventions or practices relating to the Euro.

(c) Each provision of this Agreement also shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify to be appropriate to reflect a change in currency of any other country and any relevant market conventions or practices relating to the change in currency.

ARTICLE II. THE COMMITMENTS AND CREDIT EXTENSIONS

2.01 Committed Loans. Subject to the terms and conditions set forth herein, each Lender severally agrees to make loans (each such loan, a “Committed Loan”) in Dollars or in one or more Alternative Currencies to any Borrower from time to time, on any Business Day during the Availability Period, in an aggregate amount not to exceed at any time outstanding the amount of such Lender’s Commitment; provided, however, that after giving effect to any Committed Borrowing, (i) the Total Outstandings shall not exceed the Aggregate Commitments, and (ii) the Revolving Credit Exposure of any Lender shall not exceed such Lender’s Commitment. Within the limits of each Lender’s Commitment, and subject to the other terms and conditions hereof, the Borrowers may borrow under this [Section 2.01](#), prepay under [Section 2.05](#), and reborrow under this [Section 2.01](#). Committed Loans may be Base Rate Loans, SOFR Daily Floating Rate Loans, Alternative Currency Daily Rate Loans or Alternative Currency Term Rate Loans, as further provided herein. Notwithstanding anything to the contrary herein, no Lender shall be required to make, and the Company agrees not to request, and shall cause each other Borrower not to do the same, a Committed Loan denominated in Canadian dollars during the period commencing on the First Amendment Effective Date and ending on January 3, 2024.

2.02 Borrowings, Conversions and Continuations of Committed Loans.

(a) Each Committed Borrowing, each conversion of Committed Loans from one Type to the other, and each continuation of a Term SOFR Loan or Alternative Currency Term Rate Loan shall be made upon the applicable

Borrower's irrevocable notice to the Administrative Agent, which may be given by (A) telephone or (B) a Committed Loan Notice; provided that any telephonic notice must be confirmed immediately by delivery to the Administrative Agent of a Committed Loan Notice. Each such Committed Loan Notice must be received by the Administrative Agent not later than 1:00 p.m. (i) in the case of Term SOFR Loans, two Business Days prior to the requested date of any Borrowing, continuation of or conversion to Term SOFR Loans or of any conversion of Term SOFR Loans to Base Rate Loans, (ii) in the case of Alternative Currency Loans, 1:00 p.m. four Business Days (or five Business Days in the case of a Special Notice Currency) prior to the requested date of any Borrowing or, in the case of Alternative Currency Term Rate Loans, any continuation, and (iii) on the requested date of any Borrowing of SOFR Daily Floating Rate Loans or Base Rate Loans. Each Borrowing of, continuation of or conversion to Term SOFR Loans or SOFR Daily Floating Rate Loans and each Borrowing of, conversion to or continuation of Alternative Currency Loans shall be in a principal amount of the Dollar Equivalent of \$5,000,000 or a whole multiple of the Dollar Equivalent of \$1,000,000 in excess thereof. Except as provided in Sections 2.03(f), each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of the Dollar Equivalent of \$500,000 or a whole multiple of the Dollar Equivalent of \$100,000 in excess thereof. Each Committed Loan Notice shall specify (i) whether the applicable Borrower is requesting a Committed Borrowing, a conversion of Committed Loans from one Type to the other, or a continuation of Term SOFR Loans or Alternative Currency Term Rate Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the currency and principal amount of Committed Loans to be borrowed, converted or continued, (iv) the Type of Committed Loans to be borrowed or to which existing Committed Loans are to be converted, (v) if applicable, the duration of the Interest Period with respect thereto, and (vi) if applicable, the Designated Borrower requesting the Borrowing. If the Company fails to specify a currency in a Loan Notice requesting a Borrowing, then the Loans so requested shall be made in Dollars. If the applicable Borrower fails to specify a Type of Committed Loan in a Committed Loan Notice or if such Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Committed Loans shall be made as, or converted to, Base Rate Loans; provided, however, that in the case of a failure to timely request a continuation of Alternative Currency Term Rate Loans, such Committed Loans shall be continued as Alternative Currency Term Rate Loans in their original currency with an Interest Period of one (1) month. If the applicable Borrower requests a Borrowing of, conversion to, or continuation of Term SOFR Loans or Alternative Currency Term Rate Loans in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. Except as provided pursuant to Section 2.12(a) and 3.03, no Committed Loan may be converted into or continued as a Committed Loan denominated in a different currency, but instead must be repaid in the original currency of such Committed Loan and reborrowed in the other currency.

(b) Following receipt of a Committed Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount and currency of its Applicable Percentage of the applicable Committed Loans, and if no timely notice of a conversion or continuation is provided by the applicable Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans or continuation of Alternative Currency Term Rate Loans described in the preceding subsection. In the case of a Committed Borrowing, each Lender shall make the amount of its Committed Loan available to the Administrative Agent in Same Day Funds at the Administrative Agent's Office for the applicable currency not later than 3:00 p.m., in the case of Committed Loans denominated in Dollars, and not later than the Applicable Time in the case of any Committed Loan denominated in an Alternative Currency, in each case, on the Business Day specified in the applicable Committed Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.02 (and, if such Borrowing is the initial Credit Extension, Section 4.01), the Administrative Agent shall make all funds so received available to the applicable Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of such Borrower on the books of Bank of America with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by such Borrower; provided, however, that if, on the date the Committed Loan Notice with respect to such Borrowing denominated in Dollars is given by such Borrower, there are L/C Borrowings outstanding, then the proceeds of such Borrowing, first, shall be applied to the payment in full of any such L/C Borrowings, and second, shall be made available to such Borrower as provided above.

(c) Except as otherwise provided herein, a Term SOFR Loan or an Alternative Currency Term Rate Loan may be continued or converted only on the last day of an Interest Period for such Term SOFR Loan Alternative Currency Term Rate Loan. During the existence of a Default, no Committed Loans may be requested as, continued

as or converted to Term SOFR Loans, SOFR Daily Floating Rate Loans, Alternative Currency Daily Rate Loans or Alternative Currency Term Rate Loans, as applicable, without the consent of the Required Lenders.

(d) After giving effect to all Committed Borrowings and all continuations of Committed Loans as the same Type, there shall not be more than ten Interest Periods in effect with respect to Committed Loans.

(e) Notwithstanding anything to the contrary in this Agreement, any Lender may exchange, continue or rollover all of the portion of its Loans in connection with any refinancing, extension, loan modification or similar transaction permitted by the terms of this Agreement, pursuant to a cashless settlement mechanism approved by the Company, the Administrative Agent, and such Lender.

(f) With respect to any Alternative Currency Daily Rate, Term SOFR or SOFR, the Administrative Agent, in consultation with the Company, will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document; provided that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing such Conforming Changes to the Company and the Lenders reasonably promptly after such amendment becomes effective.

2.03 Letters of Credit.

(a) General. Subject to the terms and conditions set forth herein, in addition to the Loans provided for in Section 2.01, the Company may request any L/C Issuer, in reliance on the agreements of the Lenders set forth in this Section 2.03, to issue, at any time and from time to time during the Availability Period, Letters of Credit denominated in Dollars or an Alternative Currency for its own account or the account of any of its Subsidiaries in such form as is acceptable to such L/C Issuer in its reasonable determination. Letters of Credit issued hereunder shall constitute utilization of the Commitments; provided, that, any Letter of Credit denominated in an Alternative Currency (other than any Existing Letter of Credit) shall be issued by Bank of America in its capacity as an L/C Issuer.

(b) Notice of Issuance, Amendment, Extension, Reinstatement or Renewal. To request the issuance of a Letter of Credit (or the amendment of the terms and conditions, extension of the terms and conditions, extension of the expiration date, or reinstatement of amounts paid, or renewal of an outstanding Letter of Credit), the applicable Borrower shall deliver (or transmit by electronic communication, if arrangements for doing so have been approved by the applicable L/C Issuer) to an L/C Issuer and to the Administrative Agent not later than 11:00 a.m. at least two Business Days (or such later date and time as the Administrative Agent and such L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, extended, reinstated or renewed, and specifying the date of issuance, amendment, extension, reinstatement or renewal (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with Section 2.03(d)), the amount of such Letter of Credit, the name and address of the beneficiary thereof, the purpose and nature of the requested Letter of Credit and such other information as shall be necessary to prepare, amend, extend, reinstate or renew such Letter of Credit. If requested by the applicable L/C Issuer, the applicable Borrower also shall submit a letter of credit application and reimbursement agreement on such L/C Issuer's standard form in connection with any request for a Letter of Credit. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application and reimbursement agreement or other agreement submitted by the applicable Borrower to, or entered into by such Borrower with, an L/C Issuer relating to any Letter of Credit, the terms and conditions of this Agreement shall control. For the avoidance of doubt and notwithstanding anything to the contrary in the Loan Documents, the Existing Letters of Credit shall not be amended, extended, reinstated, renewed or otherwise modified without the prior written approval of Bank of Montreal in its sole and absolute discretion.

(c) Limitations on Amounts, Issuance and Amendment. A Letter of Credit shall be issued, amended, extended, reinstated or renewed only if (and upon issuance, amendment, extension, reinstatement or renewal of each

Letter of Credit the applicable Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, extension, reinstatement or renewal (i) the aggregate amount of the outstanding Letters of Credit issued by any L/C Issuer shall not exceed its L/C Commitment, (ii) the Revolving Credit Exposure of any Lender shall not exceed its Commitment and (iii) the sum of the total Revolving Credit Exposures shall not exceed the total Commitments.

(i) No L/C Issuer shall be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such L/C Issuer from issuing the Letter of Credit, or any Law applicable to such L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such L/C Issuer shall prohibit, or request that such L/C Issuer refrain from, the issuance of letters of credit generally or the Letter of Credit in particular or shall impose upon such L/C Issuer with respect to the Letter of Credit any restriction, reserve or capital requirement (for which such L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon such L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which such L/C Issuer in good faith deems material to it;

(B) the issuance of such Letter of Credit would violate one or more policies of such L/C Issuer applicable to letters of credit generally;

(C) except as otherwise agreed by the Administrative Agent and such L/C Issuer, the Letter of Credit is in an initial stated amount less than \$500,000; or

(D) any Lender is at that time a Defaulting Lender, unless such L/C Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to such L/C Issuer (in its sole discretion) with the Borrowers or such Lender to eliminate such L/C Issuer's actual or potential Fronting Exposure (after giving effect to [Section 2.17\(a\)\(iv\)](#)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which such L/C Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion.

(ii) No L/C Issuer shall be under any obligation to amend any Letter of Credit if (A) such L/C Issuer would have no obligation at such time to issue the Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of the Letter of Credit does not accept the proposed amendment to the Letter of Credit.

(d) Expiration Date. Each Letter of Credit shall have a stated expiration date no later than the earlier of

(i) the date twelve months after the date of the issuance of such Letter of Credit (or, in the case of any extension of the expiration date thereof, whether automatic or by amendment, twelve months after the then-current expiration date of such Letter of Credit) and (ii) the date that is 365 days after the Maturity Date; *provided* that with respect to any Letter of Credit with an expiration date that is later than the Maturity Date, the applicable Borrower shall deposit into the Collateral Account, no later than ten (10) Business Days prior to the Maturity Date, Cash Collateral in the Dollar Equivalent of (A) in the case of any Letters of Credit denominated in Dollars, the full amount and (B) in the case of any Letters of Credit denominated in an Alternative Currency, 103% of the full amount, in each case, then available for drawing under such Letter of Credit. Any such Cash Collateral required by this Section 2.03(d) shall be held by the Administrative Agent pursuant to the terms of Section 2.03(o) hereof.

(e) Participations. (i) By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount or extending the expiration date thereof), and without any further action on the part of the applicable L/C Issuer or the Lenders, such L/C Issuer hereby grants to each Lender, and each Lender hereby acquires from such L/C Issuer, a participation in such Letter of Credit, including any Existing Letters of Credit, equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of

Credit. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this Section 2.03(e)(i) in respect of Letters of Credit is absolute, unconditional and irrevocable and shall not be affected by any circumstance whatsoever, including any amendment, extension, reinstatement or renewal of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments.

(ii) In consideration and in furtherance of the foregoing, each Lender hereby absolutely, unconditionally and irrevocably agrees to pay to the Administrative Agent in Dollars, for account of the applicable L/C Issuer, such Lender's Applicable Percentage of each L/C Disbursement made by an L/C Issuer (expressed in Dollars in the amount of the Dollar Equivalent thereof) not later than 1:00 p.m. on the Business Day specified in the notice provided by the Administrative Agent to the Lenders pursuant to Section 2.03(f) until such L/C Disbursement is reimbursed by the applicable Borrower or at any time after any reimbursement payment is required to be refunded to such Borrower for any reason, including after the Maturity Date. Such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each such payment shall be made in the same manner as provided in Section 2.02 with respect to Loans made by such Lender (and Section 2.02 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the applicable L/C Issuer the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from the applicable Borrower pursuant to Section 2.03(f), the Administrative Agent shall distribute such payment to the applicable L/C Issuer or, to the extent that the Lenders have made payments pursuant to this Section 2.03(e) to reimburse such L/C Issuer, then to such Lenders and such L/C Issuer as their interests may appear. Any payment made by a Lender pursuant to this Section 2.03(e) to reimburse an L/C Issuer for any L/C Disbursement shall not constitute a Loan and shall not relieve the applicable Borrower of its obligation to reimburse such L/C Disbursement.

Each Lender further acknowledges and agrees that its participation in each Letter of Credit will be automatically adjusted to reflect such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit at each time such Lender's Commitment is amended pursuant to the operation of Section 2.15, as a result of an assignment in accordance with Section 10.06 or otherwise pursuant to this Agreement.

(f) Reimbursement. If an L/C Issuer shall make any L/C Disbursement in respect of a Letter of Credit, the applicable Borrower shall reimburse such L/C Issuer in respect of such L/C Disbursement in the currency in which such L/C Disbursement was made (or, if requested by such L/C Issuer, in the Dollar Equivalent of the amount of such L/C Disbursement) by paying to the Administrative Agent an amount equal to such L/C Disbursement not later than 12:00 noon on (i) the Business Day that such Borrower receives notice of such L/C Disbursement, if such notice is received prior to 10:00 a.m. or (ii) the Business Day immediately following the day that such Borrower receives such notice, if such notice is not received prior to such time, provided that, if such L/C Disbursement is not less than \$1,000,000, such Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.02 that such payment be financed with a Borrowing of Base Rate Loans in the Dollar Equivalent of the amount of such L/C Disbursement and, to the extent so financed, such Borrower's obligation to make such payment shall be discharged and replaced by the resulting Borrowing of Base Rate Loans. If the applicable Borrower fails to make such payment when due, the Administrative Agent shall notify each Lender of the Dollar Equivalent of the applicable L/C Disbursement, the payment then due from such Borrower in respect thereof (the "Unreimbursed Amount") and such Lender's Applicable Percentage thereof.

(g) Obligations Absolute. The applicable Borrower's obligation to reimburse L/C Disbursements as provided in Section 2.03(f) 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 this Agreement, any other Loan Document or any Letter of Credit, or any term or provision herein or therein;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that any Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), any L/C Issuer or any

other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement in such draft or other document being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) waiver by any L/C Issuer of any requirement that exists for such L/C Issuer's protection and not the protection of any Borrower or any waiver by such L/C Issuer which does not in fact materially prejudice any Borrower;

(v) honor of a demand for payment presented electronically even if such Letter of Credit required that demand be in the form of a draft;

(vi) any payment made by any L/C Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under such Letter of Credit if presentation after such date is authorized by the UCC or the ISP, as applicable;

(vii) payment by the applicable L/C Issuer under a Letter of Credit against presentation of a draft or other document that does not comply strictly with the terms of such Letter of Credit; or any payment made by any L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law;

(viii) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section 2.03, constitute a legal or equitable discharge of, or provide a right of setoff against, any Borrower's obligations hereunder; or

(ix) any adverse change in the relevant exchange rates or in the availability of the relevant Alternative Currency to the Company or any Subsidiary or in the relevant currency markets generally.

The applicable Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with such Borrower's instructions or other irregularity, such Borrower will immediately notify the applicable L/C Issuer. The applicable Borrower shall be conclusively deemed to have waived any such claim against each L/C Issuer and its correspondents unless such notice is given as aforesaid.

None of the Administrative Agent, the Lenders, any L/C Issuer, or any of their Related Parties shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit by the applicable L/C Issuer 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 applicable L/C Issuer; provided that the foregoing shall not be construed to excuse an L/C Issuer from liability to any Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by each Borrower to the extent permitted by Applicable Law) suffered by such Borrower that are caused by such L/C Issuer'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 an L/C Issuer (as finally determined by a court of competent jurisdiction), an L/C Issuer shall be deemed to have exercised care in each such determination, and that:

(i) an L/C Issuer may replace a purportedly lost, stolen, or destroyed original Letter of Credit or missing amendment thereto with a certified true copy marked as such or waive a requirement for its presentation;

(ii) an L/C Issuer may accept documents that appear on their face to be in substantial compliance with the terms of a Letter of Credit without responsibility for further investigation, regardless of any notice or information to the contrary, and may make payment upon presentation of documents that appear on their face to be in substantial compliance with the terms of such Letter of Credit and without regard to any non-documentary condition in such Letter of Credit;

(iii) an L/C Issuer shall have the right, in its sole discretion, to decline to accept such documents and to make such payment if such documents are not in strict compliance with the terms of such Letter of Credit; and

(iv) this sentence shall establish the standard of care to be exercised by an L/C Issuer when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof (and the parties hereto hereby waive, to the extent permitted by Applicable Law, any standard of care inconsistent with the foregoing).

Without limiting the foregoing, none of the Administrative Agent, the Lenders, any L/C Issuer, or any of their Related Parties shall have any liability or responsibility by reason of (A) any presentation that includes forged or fraudulent documents or that is otherwise affected by the fraudulent, bad faith or illegal conduct of the beneficiary or other Person, (B) an L/C Issuer declining to take-up documents and make payment (1) against documents that are fraudulent, forged, or for other reasons by which that it is entitled not to honor or (2) following a Borrower's waiver of discrepancies with respect to such documents or request for honor of such documents or (C) an L/C Issuer retaining proceeds of a Letter of Credit based on an apparently applicable attachment order, blocking regulation, or third-party claim notified to such L/C Issuer.

(h) Applicability of ISP; Limitation of Liability. Unless otherwise expressly agreed by the applicable L/C Issuer and the applicable Borrower when a Letter of Credit is issued by it (including any such agreement applicable to an Existing Letter of Credit), the rules of the ISP shall apply to each standby Letter of Credit. Notwithstanding the foregoing, no L/C Issuer shall be responsible to any Borrower for, and no L/C Issuer's rights and remedies against a Borrower shall be impaired by, any action or inaction of any L/C Issuer required or permitted under any law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Law or any order of a jurisdiction where any L/C Issuer or the beneficiary is located, the practice stated in the ISP, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade - International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

(i) Role of L/C Issuer. Each L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and each L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article IX with respect to any acts taken or omissions suffered by such L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Article IX included such L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to such L/C Issuer.

(j) Letter of Credit Fees. The applicable Borrower (or the Company) shall pay to the Administrative Agent for the account of each Lender in accordance, subject to Section 2.17, with its Applicable Percentage a Letter of Credit fee (the "Letter of Credit Fee") equal to the Applicable Rate times the Dollar Equivalent of the daily amount available to be drawn under such Letter of Credit. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. Letter of Credit Fees shall be (i) due and payable on the first Business Day after the end of each

March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Maturity Date and thereafter on demand and (ii) computed on a quarterly basis in arrears. If there is any change in the Applicable Rate during any quarter, the daily amount available to be drawn under each standby Letter of Credit shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect. Notwithstanding anything to the contrary contained herein, upon the request of the Required Lenders, while any Event of Default exists, all Letter of Credit Fees shall accrue at the Default Rate.

(k) Fronting Fee and Documentary and Processing Charges Payable to L/C Issuers. The applicable Borrower (or the Company) shall pay directly to the applicable L/C Issuer for its own account a fronting fee at the rate per annum equal to 0.125% per annum, computed on the Dollar Equivalent of the daily amount available to be drawn under such Letter of Credit on a quarterly basis in arrears. Such fronting fee shall be due and payable on the first Business Day after the end of each March, June, September and December in respect of the most recently-ended quarterly period (or portion thereof, in the case of the first payment), commencing with the first such date to occur after the issuance of such Letter of Credit, on the Maturity Date and thereafter on demand. For purposes of computing the Dollar Equivalent of the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. In addition, the applicable Borrower (or the Company) shall pay directly to the applicable L/C Issuer for its own account, in Dollars, the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of such L/C Issuer relating to letters of credit as from time to time in effect. Such documented customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(l) Disbursement Procedures. The L/C Issuer for any Letter of Credit shall, within the time allowed by applicable Laws or the specific terms of the Letter of Credit following its receipt thereof, examine all documents purporting to represent a demand for payment under such Letter of Credit. Such L/C Issuer shall promptly after such examination notify the Administrative Agent and the applicable Borrower in writing of such demand for payment if such L/C Issuer has made or will make an L/C Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve such Borrower of its obligation to reimburse such L/C Issuer and the Lenders with respect to any such L/C Disbursement.

(m) Interim Interest. If the L/C Issuer for any Letter of Credit shall make any L/C Disbursement, then, unless the applicable Borrower shall reimburse such L/C Disbursement in full on the date such L/C Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such L/C Disbursement is made to but excluding the date that such Borrower reimburses such L/C Disbursement, at the rate per annum then applicable to Base Rate Loans; provided that if such Borrower fails to reimburse such L/C Disbursement when due pursuant to clause (f) of this Section 2.03, then Section 2.08(b) shall apply. Interest accrued pursuant to this clause

(m) shall be for account of such L/C Issuer, except that interest accrued on and after the date of payment by any Lender pursuant to clause (f) of this Section 2.03 to reimburse such L/C Issuer shall be for account of such Lender to the extent of such payment.

(n) Replacement of any L/C Issuer. Any L/C Issuer may be replaced at any time by written agreement between the applicable Borrower, the Administrative Agent, the replaced L/C Issuer and the successor L/C Issuer. The Administrative Agent shall notify the Lenders of any such replacement of an L/C Issuer. At the time any such replacement shall become effective, the applicable Borrower shall pay all unpaid fees accrued for the account of the replaced L/C Issuer pursuant to Section 2.03(j). From and after the effective date of any such replacement, (i) the successor L/C Issuer shall have all the rights and obligations of an L/C Issuer under this Agreement with respect to Letters of Credit to be issued by it thereafter and (ii) references herein to the term "L/C Issuer" shall be deemed to include such successor or any previous L/C Issuer, or such successor and all previous L/C Issuer, as the context shall require. After the replacement of an L/C Issuer hereunder, the replaced L/C Issuer shall remain a party hereto and shall continue to have all the rights and obligations of an L/C Issuer under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(o) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the applicable Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with L/C Obligations representing at least 66-2/3% of the total

L/C Obligations) demanding the deposit of cash collateral pursuant to this clause (o), such Borrower shall immediately deposit into an account established and maintained on the books and records of the Administrative Agent (the "Collateral Account") an amount in cash equal to 103% of the total L/C Obligations 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 such Borrower described in clause (f) of Section 8.01. Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the obligations of the applicable Borrower under this Agreement. In addition, and without limiting the foregoing or clause (d) of this Section 2.03, if any L/C Obligations remain outstanding after the expiration date specified in said clause (d), the applicable Borrower shall immediately deposit into the Collateral Account an amount in cash equal to 103% of such L/C Obligations 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 the Collateral 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 applicable Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in the Collateral Account. Moneys in the Collateral Account shall be applied by the Administrative Agent to reimburse each L/C Issuer for L/C 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 applicable Borrower for the L/C Obligations at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with L/C Obligations representing 66-2/3% of the total L/C Obligations), be applied to satisfy other obligations of such Borrower under this Agreement. If the applicable 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 such Borrower within three Business Days after all Events of Default have been cured or waived.

If a Borrower shall have provided Cash Collateral in connection with a Letter of Credit with a stated expiration date after the Maturity Date pursuant to Section 2.03(d) above and such Letter of Credit no longer remains outstanding, then the Administrative Agent shall repay to the Company for the benefit of the applicable Borrower any remaining amounts held in the Collateral Account within five (5) Business Days. The obligations of the Administrative Agent under this Section 2.03(o) shall survive termination of the Aggregate Commitments and repayment of all other Obligations hereunder.

(p) L/C Issuer Reports to the Administrative Agent. Unless otherwise agreed by the Administrative Agent, each L/C Issuer shall, in addition to its notification obligations set forth elsewhere in this Section 2.03, provide the Administrative Agent a Letter of Credit Report, as set forth below:

(i) reasonably prior to the time that such L/C Issuer issues, amends, renews, increases or extends a Letter of Credit, the date of such issuance, amendment, renewal, increase or extension and the stated amount of the applicable Letters of Credit after giving effect to such issuance, amendment, renewal or extension (and whether the amounts thereof shall have changed);

(ii) on each Business Day on which such L/C Issuer makes a payment pursuant to a Letter of Credit, the date and amount of such payment;

(iii) on any Business Day on which a Borrower fails to reimburse a payment made pursuant to a Letter of Credit required to be reimbursed to such L/C Issuer on such day, the date of such failure and the amount of such payment;

(iv) on any other Business Day, such other information as the Administrative Agent shall reasonably request as to the Letters of Credit issued by such L/C Issuer; and

(v) for so long as any Letter of Credit issued by an L/C Issuer is outstanding, such L/C Issuer shall deliver to the Administrative Agent (A) on the last Business Day of each calendar month, (B) at all

other times a Letter of Credit Report is required to be delivered pursuant to this Agreement, and (C) on each date that (1) an L/C Credit Extension occurs or (2) there is any expiration, cancellation and/or disbursement, in each case, with respect to any such Letter of Credit, a Letter of Credit Report appropriately completed with the information for every outstanding Letter of Credit issued by such L/C Issuer.

(q) Additional L/C Issuers. Any Lender hereunder may become an L/C Issuer upon receipt by the Administrative Agent of a fully executed Notice of Additional L/C Issuer which shall be signed by the Company, the Administrative Agent and the applicable L/C Issuer. Such new L/C Issuer shall provide its L/C Commitment in such Notice of Additional L/C Issuer and upon the receipt by the Administrative Agent of the fully executed Notice of Additional L/C Issuer, the defined term L/C Commitment shall be deemed amended to incorporate the L/C Commitment of such new L/C Issuer.

(r) Letters of Credit Issued for Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, the applicable Borrower shall be obligated to reimburse, indemnify and compensate the applicable L/C Issuer hereunder for any and all drawings under such Letter of Credit as if such Letter of Credit had been issued solely for the account of a Borrower. Each Borrower 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. Each Borrower hereby acknowledges that the issuance of Letters of Credit for the account of Subsidiaries inures to the benefit of such Borrower, and that such Borrower's business derives substantial benefits from the businesses of such Subsidiaries.

(s) Conflict with Issuer Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

2.04 [Reserved].

2.05 Prepayments.

(a) Each Borrower may, upon notice to the Administrative Agent, at any time or from time to time voluntarily prepay Committed Loans in whole or in part without premium or penalty; provided that (i) such notice must be in a form acceptable to the Administrative Agent and be received by the Administrative Agent not later than 1:00 p.m. (A) three Business Days prior to any date of prepayment of Term SOFR Loans, (B) four Business Days (or five Business Days, in the case of prepayment of Loans denominated in Special Notice Currencies) prior to any date of prepayment of any Alternative Currency Loans, (C) one Business Day prior to the date of prepayment of SOFR Daily Floating Rate Loans, and (D) on the date of prepayment of Base Rate Loans; (ii) any prepayment of Term SOFR Loans, SOFR Daily Floating Rate Loans or Alternative Currency Loans shall be in a principal amount of the Dollar Equivalent of \$5,000,000 or a whole multiple of the Dollar Equivalent of \$1,000,000 in excess thereof; and (iii) any prepayment of Base Rate Loans shall be in a principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date, amount and currency of such prepayment and the Type(s) of Committed Loans to be prepaid, and if Term SOFR Loans or Alternative Currency Term Rate Loans are to be prepaid, the Interest Period(s) of such Loans. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given by a Borrower, such Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of any Term SOFR Loan or Alternative Currency Term Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Subject to Section 2.17, each such prepayment shall be applied to the Committed Loans of the Lenders in accordance with their respective Applicable Percentages.

(b) If for any reason the Total Outstandings at any time exceed the Aggregate Commitments then in effect, the Company and/or one or more Designated Borrowers shall immediately prepay Loans and/or Cash Collateralize the L/C Obligations in an aggregate amount equal to such excess; provided, however, that the

Borrowers shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.05(c) unless after the prepayment in full of the Loans the Total Outstandings exceed the Aggregate Commitments then in effect.

2.06 Termination or Reduction of Commitments. The Company may, upon notice to the Administrative Agent, terminate the Aggregate Commitments, or from time to time permanently reduce the Aggregate Commitments; provided that (i) any such notice shall be received by the Administrative Agent not later than 1:00 p.m. three (3) Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of \$5,000,000 or any whole multiple of \$1,000,000 in excess thereof, (iii) the Company shall not terminate or reduce the Aggregate Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Outstandings would exceed the Aggregate Commitments. The Administrative Agent will promptly notify the Lenders of any such notice of termination or reduction of the Aggregate Commitments. Any reduction of the Aggregate Commitments shall be applied to the Commitment of each Lender according to its Applicable Percentage. All fees accrued until the effective date of any termination of the Aggregate Commitments shall be paid on the effective date of such termination.

2.07 Repayment of Loans. Each Borrower shall repay to the Lenders on the Maturity Date the aggregate principal amount of Committed Loans made to such Borrower outstanding on such date.

2.08 Interest.

(a) Subject to the provisions of subsection (b) below, (i) each SOFR Daily Floating Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to SOFR Daily Floating Rate plus the Applicable Rate; (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate; (iii) each Alternative Currency Daily Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Alternative Currency Daily Rate plus the Applicable Rate, (iv) each Alternative Currency Term Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Alternative Currency Term Rate for such Interest Period plus the Applicable Rate and (v) each Term SOFR Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to Term SOFR for such Interest Period plus the Applicable Rate.

(b) (i) If any amount of principal of any Loan is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such overdue amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) If any amount (other than principal of any Loan) payable by any Borrower under any Loan Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then upon the request of the Required Lenders, such overdue amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iii) [Reserved].

(iv) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.09 Fees. In addition to certain fees described in subsections (h) and (i) of Section 2.03:

(a) Facility Fee. The Company shall pay to the Administrative Agent for the account of each Lender in accordance with its Applicable Percentage, a facility fee in Dollars equal to the Applicable Rate times the actual daily amount of the Aggregate Commitments (or, if the Aggregate Commitments have terminated, on the Outstanding Amount of all Committed Loans and L/C Obligations), regardless of usage, subject to adjustment as provided in Section 2.17. The facility fee shall accrue at all times during the Availability Period (and thereafter so long as any Committed Loans or L/C Obligations remain outstanding), including at any time during which one or more of the conditions in Article IV is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the Closing Date, and on the last day of the Availability Period (and, if applicable, thereafter on demand). The facility fee shall be calculated quarterly in arrears, and if there is any change in the Applicable Rate during any quarter, the actual daily amount shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect.

(a) Other Fees. (i) The Company shall pay to the Arrangers and the Administrative Agent for their own respective accounts, in Dollars, fees in the amounts and at the times specified in the Fee Letter. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

(ii) The Company shall pay to the Lenders, in Dollars, such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

2.10 Computation of Interest and Fees.

(a) All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to Term SOFR) and for Loans denominated in Alternative Currencies (other than Alternative Currency Loans with respect to EURIBOR) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed, or, in the case of interest in respect of Loans denominated in Alternative Currencies as to which market practice differs from the foregoing, in accordance with such market practice. All other computations of fees and interest, including those with respect to Term SOFR Loans, SOFR Daily Floating Rate Loan and Alternative Currency Loans determined by reference to EURIBOR, shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

2.11 Evidence of Debt.

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender in the ordinary course of business. The Administrative Agent shall maintain the Register in accordance with Section 10.06(c). The accounts or records maintained by each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to the Borrowers and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of any Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the Register, the Register shall control in the absence of manifest error. Upon the request of any Lender to a Borrower made through the Administrative Agent, such Borrower shall execute and deliver to such Lender (through the Administrative Agent) a Note, which shall evidence such Lender's Loans to such Borrower in addition to such accounts or records and shall be in compliance with United States Treasury Regulations section 1.1275-3(b). Each Lender may attach schedules to its

Note and endorse thereon the date, Type (if applicable), amount, currency and maturity of its Loans and payments with respect thereto.

(b) In addition to the accounts and records referred to in subsection (a) above, each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

2.12 Payments Generally; Administrative Agent's Clawback.

(a) General. All payments to be made by the Borrowers shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein and except with respect to principal of and interest on Loans denominated in an Alternative Currency, all payments by the Borrowers hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in Same Day Funds not later than 2:00 p.m. on the date specified herein. Except as otherwise expressly provided herein, all payments by the Borrowers hereunder with respect to principal and interest on Loans denominated in an Alternative Currency shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the applicable Administrative Agent's Office in such Alternative Currency and in Same Day Funds not later than the Applicable Time specified by the Administrative Agent on the dates specified herein. If, for any reason, any Borrower is prohibited by any Law from making any required payment hereunder in an Alternative Currency, such Borrower shall make such payment in Dollars in the Dollar Equivalent of the Alternative Currency payment amount. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after (i) 2:00 p.m., in the case of payments in Dollars, or

(ii) after the Applicable Time specified by the Administrative Agent, in the case of payments in an Alternative Currency, shall, in each case, be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by any Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) (i) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Committed Borrowing of Term SOFR Loans, SOFR Daily Floating Rate Loans or Alternative Currency Loans (or, in the case of any Committed Borrowing of SOFR Daily Floating Rate Loans or Base Rate Loans, prior to 2:00 pm on the date of such Committed Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Committed Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of a Committed Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Committed Borrowing available to the Administrative Agent, then the applicable Lender and the applicable Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in Same Day Funds with interest thereon, for each day from and including the date such amount is made available to such Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the applicable Overnight Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing, and (B) in the case of a payment to be made by such Borrower, the interest rate applicable to Base Rate Loans, or in the case of Alternative Currencies, in accordance with such market practice, in each case, as applicable. If such Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to such Borrower the amount of such interest paid by such Borrower for such period. If such Lender pays its share of the applicable Committed Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Committed Loan included in such Committed Borrowing. Any payment by such Borrower shall be without

prejudice to any claim such Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from a Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or any L/C Issuer hereunder that such Borrower will not make such payment, the Administrative Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the applicable L/C Issuers, as the case may be, the amount due.

With respect to any payment that the Administrative Agent makes for the account of the Lenders or any L/C Issuer hereunder as to which the Administrative Agent determines (which determination shall be conclusive absent manifest error) that any of the following applies (such payment referred to as the “Rescindable Amount”): (1) the applicable Borrower has not in fact made such payment; (2) the Administrative Agent has made a payment in excess of the amount so paid by such Borrower (whether or not then owed); or (3) the Administrative Agent has for any reason otherwise erroneously made such payment; then each of the Lenders or the applicable L/C Issuer, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount so distributed to such Lender or such L/C Issuer, in Same Day Funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

A notice of the Administrative Agent to any Lender or Borrower with respect to any amount owing under this clause (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to any Borrower by the Administrative Agent because the conditions to the applicable Credit Extension set forth in Article IV are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Committed Loans, to fund participations in Letters of Credit and to make payments pursuant to Section 10.04(c) are several and not joint. The failure of any Lender to make any Committed Loan, to fund any such participation or to make any payment under Section 10.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Committed Loan, to purchase its participation or to make its payment under Section 10.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

(f) Insufficient Funds. If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, L/C Borrowings, interest and fees then due hereunder, such funds shall be applied (i) first, toward 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, toward payment of principal and L/C Borrowings then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and L/C Borrowings then due to such parties.

2.13 Sharing of Payments by Lenders. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Committed Loans made by it, or the participations in L/C Obligations held by it resulting in such Lender’s receiving payment of a

proportion of the aggregate amount of such Committed Loans or participations and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Committed Loans and subparticipations in L/C Obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Committed Loans and other amounts owing them, provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section 2.13 shall not be construed to apply to (x) any payment made by or on behalf of any Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (y) the application of Cash Collateral provided for in Section 2.16, or (z) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Committed Loans or subparticipations in L/C Obligations to any assignee or participant, other than an assignment to the Company or any Affiliate thereof (as to which the provisions of this Section 2.13 shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation.

2.14 [Reserved].

2.15 Increase in Commitments.

(a) Request for Increase. Provided there exists no Default, upon notice to the Administrative Agent (which shall promptly notify the Lenders), the Company may from time to time, request an increase in the Aggregate Commitments by an amount (for all such requests) not exceeding, from and after the First Amendment Effective Date, \$500,000,000; provided that (i) any such request for an increase shall be in a minimum amount of \$25,000,000, and (ii) the Company may make a maximum of five (5) such requests. At the time of sending such notice, the Company (in consultation with the Administrative Agent) shall specify the time period within which each Lender is requested to respond (which shall in no event be less than ten Business Days from the date of delivery of such notice to the Lenders).

(b) Lender Elections to Increase. Each Lender shall notify the Administrative Agent within such time period whether or not it agrees to increase its Commitment and, if so, whether by an amount equal to, greater than, or less than its Applicable Percentage of such requested increase. Any Lender not responding within such time period shall be deemed to have declined to increase its Commitment.

(c) Notification by Administrative Agent; Additional Lenders. The Administrative Agent shall notify the Company and each Lender of the Lenders' responses to each request made hereunder. To achieve the full amount of a requested increase and subject to the approval of the Administrative Agent and each L/C Issuer, which approval shall not be unreasonably withheld or delayed, the Company may also invite additional Eligible Assignees to become Lenders pursuant to a joinder agreement in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(d) Effective Date and Allocations. If the Aggregate Commitments are increased in accordance with this Section, the Administrative Agent and the Company shall determine the effective date (the "Increase Effective

Date”) and the final allocation of such increase. The Administrative Agent shall promptly notify the Company and the Lenders of the final allocation of such increase and the Increase Effective Date.

(c) Conditions to Effectiveness of Increase. As a condition precedent to such increase, (i) the Company shall deliver to the Administrative Agent a certificate of each Loan Party dated as of the Increase Effective Date (in sufficient copies for each Lender) signed by a Responsible Officer of such Loan Party (x) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such increase, and (y) in the case of the Company, certifying that, before and after giving effect to such increase, (A) the representations and warranties contained in Article V and the other Loan Documents are true and correct in all material respects (provided that representations qualified by “materiality” or “Material Adverse Effect” shall be true and correct in all respects) on and as of the Increase Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (provided that representations qualified by “materiality” or “Material Adverse Effect” shall be true and correct in all respects) as of such earlier date, and except that for purposes of this Section 2.15, the representations and warranties contained in subsections

(a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to subsections

(a) and (b), respectively, of Section 6.01, and (B) no Default exists or would result therefrom and (ii) (x) upon the reasonable request of any Lender made at least five (5) days prior to the Increase Effective Date, the Borrowers shall have provided to such Lender, and such Lender shall be reasonably satisfied with, the documentation and other information so requested in connection with applicable “know your customer” and anti-money-laundering rules and regulations, including, without limitation, the PATRIOT Act, in each case at least five (5) days prior to the Increase Effective Date and (y) at least five (5) days prior to the Increase Effective Date, any Loan Party that qualifies as a “legal entity customer” under the Beneficial Ownership Regulation shall have delivered, to each Lender that so requests, a Beneficial Ownership Certification in relation to such Loan Party. The applicable Borrower(s) shall prepay any Committed Loans outstanding on the Increase Effective Date (and pay any additional amounts required pursuant to Section 3.05) to the extent necessary to keep the outstanding Committed Loans ratable with any revised Applicable Percentages arising from any nonratable increase in the Commitments under this Section.

(f) Conflicting Provisions. This Section 2.15 shall supersede any provisions in Section 2.13 or 10.01 to the contrary.

(g) Credit Increase Amendment. Any increase pursuant to Section 2.15 shall be evidenced by an amendment (a “Credit Increase Amendment”) to this Agreement, giving effect to the modifications permitted by this Section 2.15, executed by the Loan Parties, the Administrative Agent and each Lender providing a portion of the increase; which such amendment, when so executed, shall amend this Agreement as provided therein. Each Credit Increase Amendment may also provide for such amendments to the Loan Documents, and such other new Loan Documents, as the Administrative Agent and the applicable Borrower(s) reasonably deem necessary or appropriate to effect the modifications and credit extensions permitted by this Section 2.15. Neither any increase in Commitments, nor any such amendments to the other Loan Documents or such other new Loan Documents, shall be required to be executed or approved by any Lender, other than the Lenders providing such increase and the Administrative Agent, in order to be effective. The effectiveness of any Credit Increase Amendment shall be subject to the satisfaction on the date thereof of each of the conditions set forth in Section 2.15(e) and as such other conditions as requested by the Lenders under the increase established in connection therewith.

2.16 Cash Collateral.

(a) Obligation to Cash Collateralize. At any time that there shall exist a Defaulting Lender, within one Business Day following the written request of the Administrative Agent or any L/C Issuer (with a copy to the Administrative Agent), the Company shall Cash Collateralize the L/C Issuers’ Fronting Exposure with respect to such Defaulting Lender (determined after giving effect to Section 2.17(a)(iv)) and any Cash Collateral provided by such Defaulting Lender) in an amount not less than the Minimum Collateral Amount.

(b) Grant of Security Interest. The Company, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the L/C Issuers and the Lenders, and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant

hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 2.16(c). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent or the applicable L/C Issuer as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Company will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (determined in the case of Cash Collateral provided pursuant to clause (a)(iv) above, after giving effect to Section 2.17(a)(iv) and any Cash Collateral provided by the Defaulting Lender). All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, non-interest bearing deposit accounts at Bank of America. The Company shall pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of Cash Collateral.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 2.16 or Sections 2.03, 2.05, 2.17 or 8.02 in respect of Letters of Credit shall be held and applied to the satisfaction of the specific L/C Obligations, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(d) Release. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or to secure other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender (or, as appropriate, its assignee following compliance with Section 10.06(b)(vi))) or (ii) the determination by the Administrative Agent and the applicable L/C Issuer that there exists excess Cash Collateral; provided, however, the Person providing Cash Collateral and the applicable L/C Issuer may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

2.17 Defaulting Lenders.

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders" and Section 10.01.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 10.08 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 any L/C Issuer hereunder; *third*, to Cash Collateralize the L/C Issuers' Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.16; *fourth*, as the Company 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 Company, 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 the L/C Issuers' future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.16; *sixth*, to the payment of any amounts owing to the Lenders or the L/C Issuers as a result of any judgment of a court of competent jurisdiction obtained by any Lender or any L/C Issuer against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no

Default or Event of Default exists, to the payment of any amounts owing to the Company as a result of any judgment of a court of competent jurisdiction obtained by the Company against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which 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 L/C Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations are held by the Lenders pro rata in accordance with the Commitments hereunder without giving effect to Section 2.17(a)(iv). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.17(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

(A) Each Defaulting Lender shall be entitled to receive fees payable under Sections 2.09(a) for any period during which that Lender is a Defaulting Lender only to extent allocable to the sum of (1) the outstanding principal amount of the Committed Loans funded by it, and (2) its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.16.

(B) Each Defaulting Lender shall be entitled to receive Letter of Credit Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.16.

(C) With respect to any fee payable under Section 2.09(a) or any Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clause (A) or (B) above, the Company shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to each L/C Issuer the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such L/C Issuer's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Applicable Percentages to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that such reallocation does not cause the aggregate Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Commitment. Subject to Section 10.22, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) Cash Collateral. If the reallocation described in clause (a)(iv) above cannot, or can only partially, be effected, the Company shall, without prejudice to any right or remedy available to it hereunder or under Applicable Law, Cash Collateralize the L/C Issuers' Fronting Exposure in accordance with the procedures set forth in Section 2.16.

(b) Defaulting Lender Cure. If the Company, the Administrative Agent and each L/C Issuer agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Committed Loans and funded and unfunded participations in Letters of Credit to be held pro rata by the Lenders in accordance with the Commitments (without giving effect to Section 2.17(a)(iv)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Company while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(c) New Letters of Credit. So long as any Lender is a Defaulting Lender, no L/C Issuer shall be required to issue, extend, increase, reinstate or renew any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

2.18 Designated Borrowers.

(a) Designated Borrowers. The Company may at any time, upon not less than fifteen (15) Business Days' notice from the Company to the Administrative Agent (or such shorter period as may be agreed by the Administrative Agent in its sole discretion), request to designate any additional Subsidiary in any Approved Jurisdiction of the Company (an "Applicant Borrower") as a Designated Borrower to receive Loans hereunder by delivering to the Administrative Agent (which shall promptly deliver counterparts thereof to each Lender) a duly executed notice and agreement in substantially the form of Exhibit J (a "Designated Borrower Request and Assumption Agreement"). The parties hereto acknowledge and agree that prior to any Applicant Borrower becoming entitled to utilize the credit facilities provided for herein (i) the Administrative Agent and the Lenders that are to provide Commitments and/or Loans in favor of an Applicant Borrower must each agree, in their reasonable discretion, to such Applicant Borrower becoming a Designated Borrower, (ii) the Administrative Agent and such Lenders shall have received such supporting resolutions, incumbency certificates, opinions of counsel and other documents or information, in form, content and scope reasonably satisfactory to the Administrative Agent, as may be required by the Administrative Agent, and Notes signed by such new Borrowers to the extent any Lender so requires,

(iii) upon the reasonable request of any Lender, the Applicant Borrowers shall have provided to such Lender, and such Lender shall be reasonably satisfied with, the documentation and other information so requested in connection with applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the PATRIOT Act and any Applicant Borrower that qualifies as a "legal entity customer" under the Beneficial Ownership Regulation shall have delivered, to each Lender that so requests, a Beneficial Ownership Certification in relation to such Applicant Borrower (the requirements in clauses (i), (ii) and (iii) hereof, the "Designated Borrower Requirements") and (iv) the Administrative Agent and the Company shall have amended this Agreement to reflect any provisions relating to local law, tax and/or other jurisdiction-specific matters which they determine to be necessary, or customary and advisable in such Approved Jurisdiction. If the Designated Borrower Requirements are met, the Administrative Agent shall send a notice in substantially the form of Exhibit K (a "Designated Borrower Notice") to the Company and the Lenders specifying the effective date upon which the Applicant Borrower shall constitute a Designated Borrower for purposes hereof, whereupon each of the Lenders agrees to permit such Designated Borrower to receive Loans hereunder, on the terms and conditions set forth herein, and each of the parties agrees that such Designated Borrower otherwise shall be a Borrower for all purposes of this Agreement; provided that no Loan Notice or Letter of Credit Application may be submitted by or on behalf of such Designated Borrower until the date five (5) Business Days after such effective date.

(b) Obligations. The Obligations of all Designated Borrowers shall be several in nature and, for the avoidance of doubt, no Designated Borrower (unless it is a Guarantor) shall be obligated with respect to any Obligations of the Company, any Guarantor or any other Designated Borrower.

(c) Appointment. Each Subsidiary of the Company that is or becomes a "Designated Borrower" pursuant to this Section 2.18 hereby irrevocably appoints the Company to act as its agent for all purposes of this

Agreement and the other Loan Documents and agrees that (i) the Company may execute such documents on behalf of such Designated Borrower as the Company deems appropriate in its sole discretion and each Designated Borrower shall be obligated by all of the terms of any such document executed on its behalf, (ii) any notice or communication delivered by the Administrative Agent or the Lender to the Company shall be deemed delivered to each Designated Borrower and (iii) the Administrative Agent or the Lenders may accept, and be permitted to rely on, any document, instrument or agreement executed by the Company on behalf of each of the Borrowers.

(d) Termination. The Company may from time to time, upon not less than five (5) Business Days' notice from the Company to the Administrative Agent (or such shorter period as may be agreed by the Administrative Agent in its sole discretion), terminate a Designated Borrower's status as such, provided that there are no outstanding Loans payable by such Designated Borrower, or other amounts payable by such Designated Borrower on account of any Loans made to it, as of the effective date of such termination. The Administrative Agent will promptly notify the Lenders of any such termination of a Designated Borrower's status.

ARTICLE III. TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 Taxes.

(a) Defined Terms. For purposes of this Section 3.01, the term "Applicable Law" includes FATCA.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Borrower or Guarantor 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 Borrower or Guarantor 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) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes by Borrowers. The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by Borrowers. Each Loan Party shall indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Company 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 ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrowers to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.06(d) relating to the maintenance of a 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 set off 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 subsection (e).

(f) Evidence of Payments. As soon as practicable after any payment of Taxes by the Company to a Governmental Authority as provided in this Section 3.01, the Company shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) Status of Lenders: Tax Documentation.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Company and the Administrative Agent, at the time or times reasonably requested by the Company or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Company 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 Company or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Company or the Administrative Agent as will enable the Company or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.01(g)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that a Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Company 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 Company or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Company 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 Company or the Administrative Agent), whichever of the following is applicable:

(I) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN-E (or W-8BEN, as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN-E (or W-8BEN, as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(II) executed copies of IRS Form W-8ECI;

(III) 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 I-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 Company within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed copies of IRS Form W-8BEN-E (or W-8BEN, as applicable); or

(IV) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN-E (or W-8BEN, as applicable), a U.S. Tax Compliance Certificate substantially in the form of Exhibit I-2 or Exhibit I-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 I-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 Company 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 Company 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 Company 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 Company and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Company 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 Company or the Administrative Agent as may be necessary for the Company 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 Closing Date.

(iii) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.01 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Company and the Administrative Agent in writing of its legal inability to do so.

(h) Treatment of Certain Refunds. Unless required by applicable Laws, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender or an L/C Issuer, or have any obligation to pay to any Lender or any L/C Issuer, any refund of Taxes withheld or deducted from funds paid for the account of such Lender or such L/C Issuer, as the case may be. If any Recipient determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified by any Loan Party or with respect to which any Loan Party has paid additional amounts pursuant to this Section 3.01, it shall pay to the Loan Party an amount equal to such refund (but only to the extent of indemnity payments made, or

additional amounts paid, by a Loan Party under this Section 3.01 with respect to the Taxes with respect to such refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Loan Party, upon the request of the Recipient, agrees to repay the amount paid over to the Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this clause (h), in no event will the applicable Recipient be required to pay any amount to the Loan Party pursuant to this clause (h) the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any Recipient to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to any Loan Party or any other Person.

(i) Survival. Each party's obligations under this Section 3.01 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender or an L/C Issuer, the termination of the Commitments, the expiration or cancellation of all Letters of Credit and the repayment, satisfaction or discharge of all other Obligations.

3.02 Illegality. If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to a Relevant Rate, or to determine or charge interest rates based upon a Relevant Rate or to purchase or sell, or to take deposits of, any Alternative Currency in the applicable interbank market, then, upon notice thereof by such Lender to the Company (through the Administrative Agent), (a) any obligation of such Lender to make or maintain Alternative Currency Loans in the affected currency or currencies or, in the case of Loans denominated in Dollars, to make or maintain Term SOFR Loans or SOFR Daily Floating Rate Loans or to convert Base Rate Loans to Term SOFR Loans or SOFR Daily Floating Rate Loans shall be, in each case, suspended, and (b) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Term SOFR component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Term SOFR component of the Base Rate, in each case until such Lender notifies the Administrative Agent and the Company that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (i) the applicable Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay all Alternative Currency Loans in the affected currency or currencies or, if applicable and such Loans are denominated in Dollars, convert all Term SOFR Loans and SOFR Daily Floating Rate Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Term SOFR component of the Base Rate), in each case, immediately, or, in the case of Term SOFR Loans and Alternative Currency Term Rate Loans, on the last day of the Interest Period therefor if such Lender may lawfully continue to maintain such Term SOFR Loans or Alternative Currency Term Rate Loans to such day and (ii) if such notice asserts the illegality of such Lender determining or charging interest rates based upon SOFR, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Term SOFR component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon SOFR. Upon any such prepayment or conversion, the applicable Borrower(s) shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 3.05.

3.03 Inability to Determine Rates.

(a) If in connection with any request for a SOFR Daily Floating Rate Loans, Term SOFR Loan or an Alternative Currency Loan or a conversion of Base Rate Loans to Term SOFR Loans or SOFR Daily Floating Rate Loans or a continuation of any of such Loans, as applicable, (i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that (A) no Successor Rate for the Relevant Rate for the applicable Agreed Currency has been determined in accordance with Section 3.03(b) or Section 3.03(c) and the circumstances under clause (i) of Section 3.03(b) or of Section 3.03(c) or the Scheduled Unavailability Date, or the

SOFR Scheduled Unavailability Date, has occurred with respect to such Relevant Rate (as applicable), or (B) adequate and reasonable means do not otherwise exist for determining the Relevant Rate for the applicable Agreed Currency for any determination date(s) or requested Interest Period, as applicable, with respect to a proposed Daily Term SOFR Loan, SOFR Daily Floating Rate Loan or Alternative Currency Loan or in connection with an existing or proposed Base Rate Loan, or (ii) the Administrative Agent or the Required Lenders determine that for any reason that the Relevant Rate with respect to a proposed Loan denominated in an Agreed Currency for any requested Interest Period or determination date(s) does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Administrative Agent will promptly so notify the Company and each Lender.

Thereafter, (x) the obligation of the Lenders to make or maintain Loans in the affected currencies, as applicable, or to convert Base Rate Loans to Term SOFR Loans or SOFR Daily Floating Rate Loans, shall be suspended in each case to the extent of the affected Alternative Currency Loans or Interest Period or determination date(s), as applicable, and (y) in the event of a determination described in the preceding sentence with respect to the Term SOFR component of the Base Rate, the utilization of the Term SOFR component in determining the Base Rate shall be suspended, in each case until the Administrative Agent (or, in the case of a determination by the Required Lenders described in clause (ii) of this Section 3.03(a)), until the Administrative Agent upon instruction of the Required Lenders) revokes such notice.

Upon receipt of such notice, (i) any Borrower may revoke any pending request for a Borrowing of, or conversion to, or continuation of Term SOFR Loans, SOFR Daily Floating Rate Loans or Alternative Currency Loans to the extent of the affected Loans or Interest Period or determination date(s), as applicable or, failing that, will be deemed to have converted such request into a request for a Committed Borrowing of Base Rate Loans denominated in Dollars in the Dollar Equivalent of the amount specified therein and (ii) (A) any outstanding SOFR Daily Floating Rate Loans shall be deemed to have been converted to Base Rate Loans immediately and any outstanding Term SOFR Loans shall be deemed to have been converted to Base Rate Loans immediately at the end of their respective applicable Interest Period and (B) any outstanding affected Alternative Currency Loans, at the Company's election, shall either (1) be converted into a Committed Borrowing of Base Rate Loans denominated in Dollars in the Dollar Equivalent of the amount of such outstanding Alternative Currency Loan immediately, in the case of an Alternative Currency Daily Rate Loan or at the end of the applicable Interest Period, in the case of an Alternative Currency Term Rate Loan or (2) be prepaid in full immediately, in the case of an Alternative Currency Daily Rate Loan, or at the end of the applicable Interest Period, in the case of an Alternative Currency Term Rate Loan; provided that if no election is made by the Company (x) in the case of an Alternative Currency Daily Rate Loan, by the date that is three Business Days after receipt by the Company of such notice or (y) in the case of an Alternative Currency Term Rate Loan, by the last day of the current Interest Period for the applicable Alternative Currency Term Rate Loan, the Company shall be deemed to have elected clause (1) above.

(b) Replacement of SOFR or SOFR Successor Rate. Notwithstanding anything to the contrary in this Agreement or any other Loan Documents, if the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Company or Required Lenders notify the Administrative Agent (with, in the case of the Required Lenders, a copy to the Company) that the Company or Required Lenders (as applicable) have determined, that:

(i)(A) adequate and reasonable means do not exist for ascertaining one month, three month and six month interest periods of Term SOFR, including, without limitation, because the Term SOFR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary or (ii) adequate and reasonable means do not exist for ascertaining SOFR because SOFR is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii)(A) CME or any successor administrator of the Term SOFR Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent or such administrator with respect to its publication of Term SOFR, in each case acting in such capacity, has made a public statement identifying a specific date after which one month, three month and six month interest periods of Term SOFR or the Term SOFR Screen Rate shall or will no longer be representative or made available, or permitted to be used for determining the interest rate of U.S. dollar denominated syndicated loans, or shall or will otherwise cease, provided that, at the time of such statement, there is no successor administrator that

is satisfactory to the Administrative Agent, that will continue to provide such representative interest periods of Term SOFR after such specific date or (B) the Applicable Authority has made a public statement identifying a specific date after which SOFR shall or will no longer be representative or made available, or permitted to be used for determining the interest rate of syndicated loans denominated in Dollars, or shall or will otherwise cease, provided that, in each case, at the time of such statement, there is no successor administrator that is satisfactory to the Administrative Agent that will continue to provide SOFR on a representative basis (the latest date on which one month, three month and six month interest periods of Term SOFR or the Term SOFR Screen Rate are no longer representative or available permanently or indefinitely or the date on which SOFR is no longer representative or available permanently or indefinitely, the “SOFR Scheduled Unavailability Date”);

or if the events or circumstances of the type described in Section 3.03(b)(i) or (ii) have occurred with respect to the SOFR Successor Rate then in effect, then, the Administrative Agent and the Company may amend this Agreement solely for the purpose of replacing SOFR for Dollars or any then current SOFR Successor Rate for Dollars in accordance with this Section 3.03 with an alternative benchmark rate giving due consideration to any evolving or then existing convention for similar credit facilities syndicated and agented in the U.S. and denominated in Dollars for such alternative benchmarks, and, in each case, including any mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar credit facilities syndicated and agented in the U.S. and denominated in Dollars for such benchmarks (and any such proposed rate, including for the avoidance of doubt, any adjustment thereto, a “SOFR Successor Rate”), and any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after the Administrative Agent shall have posted such proposed amendment to all Lenders and the Company unless, prior to such time, Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders object to such amendment.

(c) Replacement of Relevant Rate or Successor Rate. Notwithstanding anything to the contrary in this Agreement or any other Loan Documents, if the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Company or Required Lenders notify the Administrative Agent (with, in the case of the Required Lenders, a copy to the Company) that the Company or Required Lenders (as applicable) have determined, that:

(i)adequate and reasonable means do not exist for ascertaining the Relevant Rate (other than ~~the CDOR~~; Term SOFR or SOFR) for an Agreed Currency (other than ~~Canadian Dollars or~~ Dollars) because none of the tenors of such Relevant Rate (other than ~~the CDOR~~; Term SOFR or SOFR) under this Agreement is available or published on a current basis, and such circumstances are unlikely to be temporary; or

(ii)the Applicable Authority has made a public statement identifying a specific date after which all tenors of the Relevant Rate (other than ~~the CDOR~~; Term SOFR or SOFR) for an Agreed Currency (other than ~~Canadian Dollars or~~ Dollars) under this Agreement shall or will no longer be representative or made available, or permitted to be used for determining the interest rate of syndicated loans denominated in such Agreed Currency (other than ~~Canadian Dollars or~~ Dollars), or shall or will otherwise cease, provided that, in each case, at the time of such statement, there is no successor administrator that is satisfactory to the Administrative Agent that will continue to provide such representative tenor(s) of the Relevant Rate (other than ~~the CDOR~~; Term SOFR or SOFR) for such Agreed Currency (other than ~~Canadian Dollars or~~ Dollars) (the latest date on which all tenors of the Relevant Rate for such Agreed Currency (other than ~~Canadian Dollars or~~ Dollars) under this Agreement are no longer representative or available permanently or indefinitely, the “Scheduled Unavailability Date”);

or if the events or circumstances of the type described in Section 3.03(c)(i) or (ii) have occurred with respect to the Successor Rate then in effect, then, the Administrative Agent and the Company may amend this Agreement solely for the purpose of replacing the Relevant Rate for an Agreed Currency or any then current Successor Rate for an Agreed Currency in accordance with this Section 3.03 with an alternative benchmark rate giving due consideration to any evolving or then existing convention for similar credit facilities syndicated and agented in the U.S. and denominated in such Agreed Currency for such alternative benchmarks, and, in each case, including any 54

mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar credit facilities syndicated and agented in the U.S. and denominated in such Agreed Currency for such benchmarks (and any such proposed rate, including for the avoidance of doubt, any adjustment thereto, a “Non-SOFR Successor Rate”, and collectively with the SOFR Successor Rate, each a “Successor Rate”), and any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after the Administrative Agent shall have posted such proposed amendment to all Lenders and the Company unless, prior to such time, Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders object to such amendment.

(d) Successor Rate. The Administrative Agent will promptly (in one or more notices) notify the Company and each Lender of the implementation of any Successor Rate.

Any Successor Rate shall be applied in a manner consistent with market practice; provided that to the extent such market practice is not administratively feasible for the Administrative Agent, such Successor Rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent.

Notwithstanding anything else herein, if at any time any Successor Rate as so determined would otherwise be less than zero, the Successor Rate will be deemed to be zero for the purposes of this Agreement and the other Loan Documents.

In connection with the implementation of a Successor Rate the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement; provided that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing such Conforming Changes to the Company and the Lenders reasonably promptly after such amendment becomes effective.

(e) Canadian Benchmark Replacement Setting. Notwithstanding anything to the contrary herein or in any other Loan Document:

~~(i) Replacing CDOR. On May 16, 2022 Refinitiv Benchmark Services (UK) Limited (“RBSL”), the administrator of CDOR, announced in a public statement that the calculation and publication of all tenors of CDOR will permanently cease immediately following a final publication on Friday, June 28, 2024. On the earlier of (A) the date that all Available Tenors of CDOR have either permanently or indefinitely ceased to be provided by RBSL and (B) June 28, 2024, if the then-current Canadian Benchmark is CDOR, the Canadian Benchmark Replacement will replace such Canadian Benchmark for all purposes hereunder and under any Loan Document in respect of any setting of such Canadian Benchmark on such day and all subsequent settings without any amendment to, or further action or consent of any other party to this Agreement or any other Loan Document. If the Canadian Benchmark Replacement is Daily Compounded CORRA, all interest payments will be payable on a monthly basis.~~

(i) [Reserved].

(ii) Replacing Future Canadian Benchmarks. Upon the occurrence of a Canadian Benchmark Transition Event, the Canadian Benchmark Replacement will replace the then-current Canadian Benchmark for all purposes hereunder and under any Loan Document in respect of any Canadian Benchmark setting at or after 5:00 p.m. on the fifth (5th) Business Day after the date notice of such Canadian Benchmark Replacement is provided by the Administrative Agent to the Lenders and the applicable Borrower 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 Canadian Benchmark Replacement from Lenders comprising the Required Lenders. At any time that the administrator of the then-current Canadian Benchmark has permanently or indefinitely ceased to provide such Canadian Benchmark or such Canadian Benchmark has been announced by the administrator or the regulatory supervisor for the administrator of such Canadian Benchmark pursuant to public statement

or publication of information to be no longer representative of the underlying market and economic reality that such Canadian Benchmark is intended to measure and that representativeness will not be restored, the applicable Borrower may revoke any request for a Borrowing of, conversion to or continuation of Loans denominated in Canadian Dollars to be made, converted or continued that would bear interest by reference to such Canadian Benchmark until the Borrowers' receipt of notice from the Administrative Agent that a Canadian Benchmark Replacement has replaced such Canadian Benchmark, and, failing that, the applicable Borrower will be deemed to have converted any such request into a request for a Borrowing of Base Rate Loans denominated in Dollars in the Dollar Equivalent of the amount specified therein.

(iii) Canadian Benchmark Replacement Conforming Changes. In connection with the implementation and administration of a Canadian Benchmark Replacement, the Administrative Agent will have the right to make Canadian 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 Canadian Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(iv) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrowers and the Lenders of (i) the implementation of any Canadian Benchmark Replacement, (ii) ~~any occurrence of a Term CORRA Transition Event~~ [reserved], and (iii) the effectiveness of any Canadian Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by the Administrative Agent pursuant to this Section, 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, will be conclusive and binding absent manifest error and may be made in its discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 3.03(e).

(v) Unavailability of Tenor of Canadian Benchmark. At any time (including in connection with the implementation of a Canadian Benchmark Replacement), if the then-current Canadian Benchmark is a term rate (including Term CORRA ~~or CDOR~~), then (i) the Administrative Agent may remove any tenor of such Canadian Benchmark that is unavailable or non-representative for Canadian Benchmark (including Canadian Benchmark Replacement) settings and (ii) the Administrative Agent may reinstate any such previously removed tenor for Canadian Benchmark (including Canadian Benchmark Replacement) settings.

(vi) ~~Secondary Term CORRA Conversion. Notwithstanding anything to the contrary herein or in any Loan Document~~ and subject to the proviso below in this clause, if a Term CORRA Transition Event and its related Term CORRA Transition Date have occurred, then on and after such Term CORRA Transition Date (i) the Canadian Benchmark Replacement described in clause (A)(I) of such definition will replace the then-current Canadian Benchmark for all purposes hereunder or under any Loan Document in respect of any setting of such Canadian Benchmark on such day and all subsequent settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document; and (ii) each Loan outstanding on the Term CORRA Transition Date bearing interest based on the then-current Canadian Benchmark shall convert, at the last day of the then current interest payment period, into a Loan bearing interest at the Canadian Benchmark Replacement described in clause (a)(i) of such definition for the respective Available Tenor as selected by the applicable Borrower as is available for the then-current Canadian Benchmark; *provided that*, this clause (f) shall not be effective unless the Administrative Agent has delivered to the Lenders and the Borrowers a Term CORRA Notice, and so long as the Administrative Agent has not received, by 5:00 p.m. (Toronto time) on the fifth (5th) Business Day after the date of the Term CORRA Notice, written notice of objection to such conversion to Term CORRA ~~from the Borrowers or the Lenders comprising the Required Lenders~~.

(vi) [Reserved].

(vii) Definitions. For purposes of this Section 3.03(e):

“Available Tenor” means, as of any date of determination and with respect to the then-current Canadian Benchmark, as applicable, (a) if the then-current Canadian Benchmark is a term rate, any tenor for such Canadian Benchmark that is or may be used for determining the length of an Interest Period or (b) otherwise, any payment period for interest calculated with reference to such Canadian Benchmark, as applicable, pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Canadian Benchmark that is then-removed from the definition of “Interest Period” pursuant to Section 3.03(e)(v).

“Canadian Benchmark” means, initially, ~~EDOR~~Term CORRA; provided that if a replacement of the Canadian Benchmark has occurred pursuant to this Section 3.03(e), then “Canadian Benchmark” means the applicable Canadian Benchmark Replacement to the extent that such Canadian Benchmark Replacement has replaced such prior benchmark rate. Any reference to “Canadian Benchmark” shall include, as applicable, the published component used in the calculation thereof.

~~“Canadian Benchmark Replacement” means, for any Available Tenor:~~

~~(A) For purposes of Section 3.03(e)(i), the first alternative set forth below that can be determined by the Administrative Agent:~~

~~(i) the sum of: (i) Term CORRA and (ii) 0.29547% (29.547 basis points) for an Available Tenor of one-month’s duration; and 0.32138% (32.138 basis points) for an Available Tenor of three-months’ duration; or~~

~~(ii) the sum of: (i) Daily Compounded CORRA and (ii) 0.29547% (29.547 basis points) for an Available Tenor of one-month’s duration; and 0.32138% (32.138 basis points) for an Available Tenor of three-months’ duration; and~~

~~(B) For purposes of Section 3.03(e)(ii), “Canadian Benchmark Replacement” means, for any Available Tenor, the sum of (i) the alternate benchmark rate and (ii) an adjustment (which may be a positive or negative value or zero), in each case, that has been selected by the Administrative Agent and the Borrowers as the replacement for such Available Tenor of such Canadian Benchmark giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the Relevant Canadian Governmental Body, for Canadian dollar-denominated syndicated credit facilities at such time;~~

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

Any Canadian Benchmark Replacement shall be applied in a manner consistent with market practice; provided, that, to the extent such market practice is not administratively feasible for the Administrative Agent, such Canadian Benchmark Replacement shall be applied in a manner as otherwise reasonably determined by the Administrative Agent in consultation with the Company.

“Canadian Benchmark Replacement Conforming Changes” means, with respect to any Canadian Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Business Day”, the definition of “Interest Period”, the definition of “Alternative Currency Daily Rate”, the definition of “Alternative Currency Term Rate”, timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent in consultation with the Borrowers decides may be appropriate to reflect the adoption and implementation of such Canadian Benchmark Replacement

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 Canadian Benchmark Replacement exists, in such other manner of administration as the Administrative Agent in consultation with the Borrowers decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“Canadian Benchmark Transition Event” means, with respect to any then-current Canadian Benchmark ~~other than CDOR~~, the occurrence of a public statement or publication of information by or on behalf of the administrator of the then-current Canadian Benchmark, the regulatory supervisor for the administrator of such Canadian Benchmark, any Governmental Authority with jurisdiction over such administrator for such Canadian Benchmark, or the Bank of Canada, announcing or stating that (a) such administrator has ceased or will cease on a specified date to provide all Available Tenors of such Canadian Benchmark, 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 Canadian Benchmark or (b) all Available Tenors of such Canadian Benchmark are or will no longer be representative of the underlying market and economic reality that such Canadian Benchmark is intended to measure and that representativeness will not be restored.

“Floor” means 0% (0 basis points) per annum.

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

“Daily Compounded CORRA” means, for any day, CORRA with interest accruing on a compounded daily basis, with the methodology and conventions for this rate being established by the Administrative Agent in accordance with the methodology and conventions for this rate selected or recommended by the Relevant Canadian Governmental Body for determining compounded CORRA for Canadian Dollar denominated business loans made in Canada; provided that if the Administrative Agent decides that any such convention is not administratively feasible, then the Administrative Agent may establish another convention in its reasonable discretion; and provided further that if the administrator has not provided or published CORRA and a Canadian Benchmark Transition Event with respect to CORRA has not occurred, then, in respect of any day for which CORRA is required, ~~references to CORRA will be deemed to be references to the last provided or published CORRA.~~

“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 CDOR. As of the execution of this Agreement, the Floor for CDOR is 0% (0 basis points) per annum.

“Relevant Canadian Governmental Body” means the Bank of Canada, or a committee officially endorsed or convened by the Bank of Canada, or any successor thereto.

“Term CORRA” means, for the applicable corresponding tenor, the ~~forward-looking term rate based on CORRA that has been selected or recommended by the Relevant Canadian Governmental Body~~, and that is published by an authorized benchmark administrator and is displayed on a screen or other ~~information service, as identified or selected by the Administrative Agent in its reasonable discretion~~ at approximately a time and as of a date prior to the commencement of an Interest Period determined by the Administrative Agent in its reasonable discretion in a manner substantially consistent with ~~market practice~~.

“Term CORRA Notice” means the notification by the Administrative Agent to the Lenders and the ~~Borrowers of the occurrence of a Term CORRA Transition Event~~.

~~“Term CORRA Transition Date” means, in the case of a Term CORRA Transition Event, the date that is set forth in the Term CORRA Notice provided to the Lenders and the Borrowers, for the replacement of the then-current Canadian Benchmark with the Canadian Benchmark Replacement described in clause (a)(i) of such definition, which date shall be at least thirty (30) Business Days from the date of the Term CORRA Notice.~~

~~“Term CORRA Transition Event” means the determination by the Administrative Agent that (a) Term CORRA has been recommended for use by the Relevant Canadian Governmental Body, and is determinable for any Available Tenor, (b) the administration of Term CORRA is administratively feasible for the Administrative Agent, (c) a Canadian Benchmark Replacement, other than Term CORRA, has replaced CDOR in accordance with this Section 3.03(e) and (d) the applicable Borrower has provided a written request to the Administrative Agent to transition to Term CORRA.~~

(f) For purposes of this Section 3.03, those Lenders that either have not made, or do not have an obligation under this Agreement to make, the relevant Loans in the relevant Alternative Currency shall be excluded from any determination of Required Lenders.

3.04 Increased Costs.

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

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender or any L/C Issuer;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or any L/C Issuer or any applicable interbank market any other condition, cost or expense affecting this Agreement, Term SOFR Loans, SOFR Daily Floating Rate Loans or Alternative Currency Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or such L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or such L/C Issuer hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or such L/C Issuer, the Company will pay (or cause the applicable Designated Borrower to pay) to such Lender or such L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or such L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or any L/C Issuer determines that any Change in Law affecting such Lender or such L/C Issuer or any Lending Office of such Lender or such Lender’s or such L/C Issuer’s holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender’s or such L/C Issuer’s capital or on the capital of such Lender’s or such L/C Issuer’s holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such L/C Issuer, to a level below that which such Lender or such L/C Issuer or such Lender’s or such L/C Issuer’s holding company could have achieved but for such Change in Law (taking into consideration such Lender’s or such L/C Issuer’s policies and the policies of such Lender’s or such L/C Issuer’s holding company with respect to capital adequacy), then from time to time the Company will pay (or cause the applicable Designated Borrower to pay) to such Lender or such L/C Issuer,

as the case may be, such additional amount or amounts as will compensate such Lender or such L/C Issuer or such Lender's or such L/C Issuer's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or an L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or such L/C Issuer or its holding company, as the case may be, as specified in clauses (a) or (b) of this Section 3.04 and delivered to the Company shall be conclusive absent manifest error. The Company shall pay (or cause the applicable Designated Borrower to pay) such Lender or such L/C Issuer, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or any L/C Issuer to demand compensation pursuant to the foregoing provisions of this Section 3.04 shall not constitute a waiver of such Lender's or such L/C Issuer's right to demand such compensation, provided that no Borrower shall be required to compensate a Lender or an L/C Issuer pursuant to the foregoing provisions of this Section 3.04 for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender or such L/C Issuer, as the case may be, notifies the Company of the Change in Law giving rise to such increased costs or reductions and of such Lender's or such L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

3.05 Compensation for Losses. Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the Company shall promptly compensate (or cause the applicable Designated Borrower to compensate) such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of any Interest Period, relevant interest payment date or payment period, as applicable, for such Loan, if applicable (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Company (or the applicable Designated Borrower) (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan on the date or in the amount notified by the Company (or the applicable Designated Borrower);

(c) any assignment of a Term SOFR Loan or an Alternative Currency Term Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Company pursuant to Section 10.13; or

(d) any failure by any Borrower to make any payment of any Loan or drawing under any Letter of Credit (or interest due thereof) denominated in an Alternative Currency on its scheduled due date or any payment thereof in a different currency;

including any loss of anticipated profits, any foreign exchange loss and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained or from the performance of any foreign exchange contract. The Company shall also pay (or cause the applicable Designated Borrower to pay) any customary administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by the Company (or the applicable Designated Borrower) to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each Alternative Currency Term Rate Loan made by it at the Alternative Currency Term Rate for such Loan by a matching deposit or other borrowing in the offshore interbank eurodollar market for such currency for a comparable amount and for a comparable period, whether or not such Alternative Currency Term Rate Loan was in fact so funded.

3.06 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. Each Lender may make any Credit Extension to a Borrower through any Lending Office, provided that the exercise of this option shall not affect the obligation of such Borrower to repay the Credit Extension in accordance with the terms of this Agreement. If any Lender requests compensation under Section 3.04, or requires a Borrower to pay any Indemnified Taxes or additional amounts to any Lender, any L/C Issuer, or any Governmental Authority for the account of any Lender or any L/C Issuer pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then at the request of the Company such Lender or such L/C Issuer shall, as applicable, use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender or such L/C Issuer, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender or such L/C Issuer, as the case may be, to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or such L/C Issuer, as the case may be. The Company hereby agrees to pay (or cause the applicable Designated Borrower to pay) all reasonable costs and expenses incurred by any Lender or any L/C Issuer in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if a Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 3.06(a), the Company may replace such Lender in accordance with Section 10.13.

3.07 Survival. All of the Borrowers' obligations under this Article III shall survive termination of the Aggregate Commitments, repayment of all other Obligations hereunder, and resignation of the Administrative Agent.

ARTICLE IV. CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

4.01 Conditions of Initial Credit Extension. The obligation of each L/C Issuer and each Lender to make its initial Credit Extension hereunder is subject to satisfaction of the following conditions precedent:

(a) The Administrative Agent's receipt of the following, each of which shall be originals or telecopies (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Loan Party, each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance satisfactory to the Administrative Agent and each of the Lenders:

- (i) executed counterparts of this Agreement and the Company Guaranty;
- (ii) Notes executed by the Borrowers in favor of each Lender requesting a Note;

(iii) copies of resolutions of each Loan Party's Board of Directors (or equivalent governing body) authorizing the execution and delivery of the Loan Documents to which it is a party and the consummation of the transactions contemplated thereby, together with specimen signatures of the persons authorized to execute such documents on behalf of such Borrower, all certified in each instance by a Responsible Officer;

(iv)(A) a certificate of good standing for each Borrower (to the extent applicable), certified as of a date not earlier than 30 days prior to the date hereof by the Secretary of State of such party's jurisdiction of organization and (B) the certificate or articles of incorporation or formation, together with all

amendments thereto, and the bylaws and any amendments thereto, for each Loan Party, certified by a Responsible Officer;

(v) a favorable opinion of Gibson, Dunn & Crutcher LLP, and Seth Diehl, Esq., external and in-house counsel, respectively, to the Loan Parties, addressed to the Administrative Agent and each Lender, in form and substance reasonably acceptable to the Administrative Agent;

(vi) a certificate signed by a Responsible Officer of the Company certifying (A) that the conditions specified in Sections 4.02(a) and (b) have been satisfied, and (B) that there has been no event or circumstance since the date of the Audited Financial Statements that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect; and

(vii) evidence that the Existing Credit Agreement and the obligations thereunder has been or concurrently with the Closing Date is being terminated;

(b) (i) Upon the reasonable request of any Lender made at least five (5) Business Days prior to the Closing Date, the Borrowers shall have provided to such Lender, and such Lender shall be reasonably satisfied with, the documentation and other information so requested in connection with applicable “know your customer” and anti-money-laundering rules and regulations, including, without limitation, the PATRIOT Act, in each case at least two (2) Business Days prior to the Closing Date and (ii) at least two (2) Business Days prior to the Closing Date, any Loan Party that qualifies as a “legal entity customer” under the Beneficial Ownership Regulation shall have delivered, to each Lender that so requests, a Beneficial Ownership Certification in relation to such Loan Party.

(c) Any fees required to be paid on or before the Closing Date shall have been paid.

(d) Unless waived by the Administrative Agent, the Company shall have paid all fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent invoiced prior to or on the Closing Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Company and the Administrative Agent).

Without limiting the generality of the provisions of the last paragraph of Section 9.03, for purposes of determining compliance with the conditions specified in this Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

4.02 Conditions to all Credit Extensions. The obligation of each Lender to honor any Request for Credit Extension (other than a Committed Loan Notice requesting only a conversion of Committed Loans to the other Type, or a continuation of Term SOFR Loans or Alternative Currency Term Rate Loans) is subject to the following conditions precedent:

(a) The representations and warranties of the Borrowers and each other Loan Party contained in Article V (other than, in the case of any Credit Extension after the Closing Date, Sections 5.06 and 5.09) or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects (provided that representations and warranties already qualified by “materiality” or “Material Adverse Effect” shall be true and correct in all respects) on and as of the date of such Credit Extension, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date, and except that for purposes of this Section 4.02, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be

deemed to refer to the most recent statements furnished pursuant to subsections (a) and (b), respectively, of Section 6.01;

- (b) No Default or Event of Default shall have occurred and be continuing or would occur as a result of such Credit Extension;
- (c) The Administrative Agent and, if applicable, the applicable L/C Issuer shall have received a Request for Credit Extension in accordance with the requirements hereof;
- (d) If the applicable Borrower is a Designated Borrower, then the conditions of Section 2.18 to the designation of such Borrower as a Designated Borrower shall have been met to the satisfaction of the Administrative Agent;
- (e) In the case of a Credit Extension to be denominated in an Alternative Currency, such currency remains an Eligible Currency; and
- (f) After giving effect to such Credit Extension, the aggregate Dollar Equivalent of Revolving Loans and Dollar Equivalent of L/C Obligations then outstanding shall not exceed the Aggregate Commitments then in effect.

Each Request for Credit Extension (other than a Committed Loan Notice requesting only a conversion of Committed Loans to the other Type, or a continuation of Term SOFR Loans or Alternative Currency Term Rate Loans) submitted by a Borrower shall be deemed to be a representation and warranty by such Borrower that the conditions specified in Sections 4.02(a) and (b) have been satisfied on and as of the date of the applicable Credit Extension.

ARTICLE V. REPRESENTATIONS AND WARRANTIES

Each Borrower represents and warrants to the Administrative Agent and the Lenders that:

5.01 Existence, Qualification and Power. The Company is duly organized, validly existing and in good standing as a corporation under the laws of the State of Delaware, has full corporate power to own its Property and conduct its business as now conducted, and is duly licensed or qualified and in good standing in each jurisdiction in which the nature of the business conducted by it or the nature of the Property owned or leased by it requires such licensing or qualifying, except where the failure to be so licensed or qualified could not reasonably be expected to have a Material Adverse Effect.

5.02 Subsidiaries. Each Restricted Subsidiary is duly organized, validly existing and, to the extent applicable, in good standing under the laws of the jurisdiction in which it is incorporated or organized, as the case may be, has full corporate or limited liability company power to own its Property and conduct its business as now conducted, and is duly licensed or qualified and in good standing in each jurisdiction in which the nature of the business conducted by it or the nature of the Property owned or leased by it requires such licensing or qualifying, except where the failure to be so licensed or qualified could not reasonably be expected to have a Material Adverse Effect. Exhibit 21.1 to the Company's Form 10-K filed with the SEC for the year ended December 31, 2022 identifies, as of December 31, 2022, each Subsidiary and the jurisdiction of its incorporation or organization. Schedule 5.02 hereto identifies, as of the Closing Date, each Subsidiary that is an Unrestricted Subsidiary.

5.03 Corporate Authority and Validity of Obligations. Each Borrower has full corporate or limited liability company power and authority to enter into this Agreement and the other Loan Documents to which it is a party, to make the borrowings herein provided for, to issue the Notes in evidence thereof, and to perform all of its obligations hereunder and under the other Loan Documents to which it is a party. Each Guarantor has full corporate or limited liability company power and authority to enter into this Agreement pursuant to the Subsidiary Guaranty and perform all of its Obligations hereunder. Each Loan Document to which any Borrower or any Guarantor is a

party has been duly authorized, executed and delivered by such Borrower or such Guarantor, as the case may be, and constitutes the valid and binding obligation of such Borrower or such Guarantor enforceable in accordance with its terms except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance or similar laws affecting creditors' rights generally and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law). No Loan Document, nor the performance or observance by any Borrower or any Guarantor of any of the matters and things herein or therein provided for,

(a) contravenes or constitutes a default under any provision of law or any judgment, injunction, order or decree binding upon any Borrower or any Guarantor or any provision of the charter, articles of incorporation or by-laws (or equivalent organizational document) of any Borrower or any Guarantor, (b) contravenes or constitutes a default under any covenant, indenture or agreement of or affecting any Borrower or any Guarantor or any of their respective Properties, in each case where such contravention or default, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, or (c) result in the creation or imposition of any Lien on any Property of any Borrower or any Guarantor.

5.04 Use of Proceeds; Margin Stock.

The Borrowers shall use the proceeds of the Loans and other extensions of credit made available hereunder to fund their general corporate and working capital purposes and for such other purposes as are consistent with all applicable laws and the terms hereof. Neither the Company nor any Restricted Subsidiary is engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System), and no part of the proceeds of any Loan or any other extension of credit hereunder will be used to purchase or carry margin stock or used in a manner that violates any provision of Regulation U or X of the Board of Governors of the Federal Reserve System. Margin stock (as hereinabove defined) constitutes less than 25% of the assets of the Borrowers and their Restricted Subsidiaries. No part of the proceeds of the Loans will be used, directly or, to the knowledge of the Borrowers, indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else whether or not such Person is acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of any laws relating to bribery or corruption, including, without limitation, the United States Foreign Corrupt Practices Act of 1977, as amended and the rules and regulations thereunder (the "Anti-Corruption Laws").

5.05 Financial Reports.

(a) The consolidated balance sheet of the Company and its Subsidiaries as at December 31, 2022, and the related consolidated statements of income, retained earnings and cash flows of the Company and its Subsidiaries for the fiscal year then ended, and accompanying notes thereto, which financial statements are accompanied by the audit report of Ernst & Young LLP, independent public accountants, fairly present in all material respects the consolidated financial condition of the Company and its Subsidiaries as at said date and the consolidated results of their operations and cash flows for the periods then ended in conformity with GAAP applied on a consistent basis. Except as previously disclosed in writing to the Administrative Agent, neither the Company nor any Subsidiary has contingent liabilities which are material to it other than as indicated on such financial statements or, with respect to future periods, on the financial statements furnished pursuant to Section 6.01 hereof.

(b) The unaudited consolidated balance sheet of the Company and its subsidiaries dated March 31, 2023, and the related consolidated statements of income, retained earnings and cash flows of the Company and its Subsidiaries on that date (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly present the financial condition of the Company and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments.

5.06 No Material Adverse Effect. Since December 31, 2022, except as previously disclosed in the Company's Form 10-K filed with the SEC for the year ended December 31, 2022, there has been no change in the

condition (financial or otherwise) of the Company and its Restricted Subsidiaries taken as a whole which could reasonably be expected to have a Material Adverse Effect.

5.07 Full Disclosure. The written statements and information furnished to the Lenders in connection with the negotiation of this Agreement and the other Loan Documents and the commitments by the Lenders to provide all or part of the financing contemplated hereby (in each case, as modified or supplemented by other written information so furnished) did not contain any untrue statements of a material fact or omit a material fact necessary to make the material statements contained therein, in the light of the circumstances under which they were made, not misleading; *provided* that (i) no representation is made with respect to any information of a general economic or industry nature and (ii) as to any estimates, forecasts, projections or other forward-looking furnished to the Lenders, the Borrowers only represent that the same were prepared on the basis of information and estimates the Borrowers believed to be reasonable.

5.08 Good Title. The Company and its Restricted Subsidiaries each have good and defensible title (or valid leasehold interests), in all material respects, to their assets as reflected on the most recent consolidated balance sheet of the Company and its Restricted Subsidiaries furnished to the Lenders (except for sales of assets permitted hereunder), subject to no Liens other than such thereof as are permitted by Section 7.03 hereof.

5.09 Litigation and Other Controversies. Except as otherwise disclosed in the Company's Form 10-K for the year ended December 31, 2022, there is no litigation, arbitration or governmental proceeding or labor controversy pending, nor to the knowledge of any Borrower threatened, against the Company or any of its Subsidiaries which could reasonably be expected to have a Material Adverse Effect.

5.10 Taxes. All federal and state income and other material tax returns required to be filed by the Company and its Subsidiaries in any jurisdiction have, in fact, been filed, and all Taxes, upon the Company and its Subsidiaries or upon any of their respective Properties, income or franchises, which are shown to be due and payable in such returns, have been paid, except for any Tax being contested in good faith by appropriate proceedings which prevent or stay enforcement of the matter under contest and as to which adequate reserves established in accordance with GAAP have been provided. The Company does not know of any proposed additional Tax against it or its Subsidiaries for which adequate provisions in accordance with GAAP has not been made on its accounts. Adequate provisions in accordance with GAAP for Taxes on the books of the Company and its Subsidiaries have been made for all open years, and for its current fiscal period.

5.11 Approvals. No authorization, consent, license, or exemption from, or filing or registration with, any Governmental Authority, nor any approval or consent of the stockholders of the Company or any other Person, is or will be necessary to the valid execution, delivery or performance by any Borrower of this Agreement or any other Loan Document, except for such approvals which have been obtained and remain in full force and effect.

5.12 Investment Company Act. Neither the Company nor any Restricted Subsidiary is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

5.13 ERISA Compliance. In respect of each Plan, the Company and each other member of the Controlled Group has fulfilled its obligations under the minimum funding standards of, and is in compliance in all material respects with, ERISA and the Code to the extent applicable and has not incurred any material liability to the PBGC or a Plan under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA. Neither the Company nor any Subsidiary has any material contingent liabilities with respect to any post-retirement benefits under a Welfare Plan, other than liability for continuation coverage described in Part 6 of Title I of ERISA.

5.14 Compliance with Laws. The Company and its Subsidiaries are in compliance with the requirements of all federal, state and local laws, rules and regulations applicable to or pertaining to their Properties or business operations (including, without limitation, the Occupational Safety and Health Act of 1970, the Americans with Disabilities Act of 1990, and laws and regulations establishing quality criteria and standards for air,

water, land and toxic or hazardous wastes and substances), where any such non-compliance, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. Neither the Company nor any Subsidiary has received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

5.15 No Default . No Default or Event of Default has occurred and is continuing.

5.16 Compliance with Sanctions Programs.

(a) The Company is in compliance with the requirements of all applicable Sanctions Programs and Anti-Corruption Laws in all material respects. Each Subsidiary of the Company is in compliance with the requirements of all applicable Sanctions Programs and Anti-Corruption Laws applicable to such Subsidiary, in all material respects. The Company has provided to the Administrative Agent, each L/C Issuer, and the Lenders all information regarding the Company and its Affiliates and Subsidiaries requested by the Administrative Agent and necessary for the Administrative Agent, each L/C Issuer, and the Lenders to comply with all applicable Sanctions Programs and Anti-Corruption Laws. None of the Company, any of its Subsidiaries or, to the best of the Company's knowledge, any of its directors, officers employees, agents or Affiliates is, as of the date hereof, a Sanctioned Person.

(b) The Borrowers and their Subsidiaries have instituted and maintain in effect policies and procedures reasonably designed to ensure compliance by the Borrowers, their Subsidiaries, and the Borrowers' and their Subsidiaries' respective directors, officers and employees with all applicable Anti-Corruption Laws and Sanctions Programs.

(c) No Borrower, Guarantor nor any of their Subsidiaries or, to the knowledge of the Company, any director, officer, employee, agent, or Affiliate of a Borrower, Guarantor or any of their Subsidiaries is an individual or entity (i) that is, or is owned or controlled by a Sanctioned Person, or (ii) located, organized or resident in a Sanctioned Country.

**ARTICLE VI. AFFIRMATIVE
COVENANTS**

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, the Company and each other Borrower, if any, covenant and agree that (with respect to itself only in the case of any Borrower other than the Company):

6.01 Financial Reports. The Company shall, and shall cause each Subsidiary to, maintain a standard system of accounting in accordance with GAAP and shall furnish to the Administrative Agent, each Lender and their duly authorized representatives such information respecting the business and financial condition of the Company and its Subsidiaries as the Administrative Agent may reasonably request (each Lender to have the right to require the Administrative Agent make such request); and without any request, the Company will furnish each of the following to the Administrative Agent, with sufficient copies for each Lender (which the Administrative Agent shall promptly distribute to each Lender) or, in lieu of furnishing any such item to the Administrative Agent, may at such time notify the Administrative Agent that such item has been posted to a website maintained by or on behalf of the Company and accessible to all of the Lenders, such notification to inform the Administrative Agent of any information necessary to allow the Lenders to access such item:

(a) within 45 days after the close of each of the first three fiscal quarters of each fiscal year of the Company, a copy of the consolidated balance sheet of the Company and its Subsidiaries as of the last day of such period and the consolidated statements of income, retained earnings and cash flows of the Company and its

Subsidiaries for the fiscal quarter and for the fiscal year-to-date period then ended, each in reasonable detail showing in comparative form the figures for the corresponding date and period in the previous fiscal year, prepared by the Company in accordance with GAAP (subject to normal year-end adjustments) and certified to by its President, Chief Financial Officer, Vice President and Treasurer, or Chief Accounting Officer;

(b) within 90 days after the close of each annual accounting period of the Company, a copy of the consolidated balance sheet of the Company and its Subsidiaries as of the last day of the period then ended and the consolidated statements of income, retained earnings and cash flows of the Company and its Subsidiaries for the period then ended, and accompanying notes thereto, each in reasonable detail showing in comparative form the figures for the previous fiscal year, accompanied by an opinion thereon, unqualified as to scope and going-concern status, of Ernst & Young LLP or another firm of independent public accountants of recognized national standing, to the effect that the financial statements have been prepared in accordance with GAAP and present fairly, in all material respects, in accordance with GAAP the consolidated financial condition of the Company and its Subsidiaries as of the close of such fiscal year and the consolidated results of their operations and cash flows for the fiscal year then ended and that such accountants' audit of such financial statements has been made in accordance with generally accepted auditing standards;

(c) promptly after the sending or filing thereof, copies of all proxy statements, financial statements and reports which the Company sends to its shareholders, and copies of all regular, periodic and special reports and all registration statements which the Company files with the SEC or with any national securities exchange;

(d) promptly after knowledge thereof shall have come to the attention of any Responsible Officer of the Company, written notice of (i) any threatened or pending litigation or governmental or arbitration proceeding or labor controversy against the Company or any Subsidiary which could reasonably be expected to have a Material Adverse Effect or (ii) of the occurrence of any Default or Event of Default hereunder;

(e) within the time periods required by subsections (a) and (b) of this Section, an unaudited balance sheet and statement of earnings for the dates and periods as in such paragraph (a) or (b) covering the Company and the Restricted Subsidiaries on a consolidated basis together with unaudited consolidating statements reflecting eliminations or adjustments required in order to reconcile such financial statements to the corresponding consolidated financial statements of the Company and its Subsidiaries delivered pursuant to paragraphs (a) and (b) above;

(f) promptly after the effectiveness thereof (i) true and complete copies of any amendments to any Note Purchase Agreement and (ii) notice of the addition of any guarantor under any Note Purchase Agreement; and

(g) promptly, from time to time, information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" requirements under the Patriot Act or other applicable Anti-Corruption Laws.

Within the time periods required by subsections (a) and (b) of this Section, the Company shall deliver to the Administrative Agent a Compliance Certificate signed by the President, the Chief Financial Officer, Chief Accounting Officer, or the Vice President and Treasurer of the Company to the effect that to the best of such officer's knowledge and belief no Default or Event of Default has occurred during the period covered by the applicable financial statements or, if any such Default or Event of Default has occurred during such period, setting forth a description of such Default or Event of Default and specifying the action, if any, taken by the Borrowers to remedy the same. Such Compliance Certificate shall also set forth the calculations supporting such statements in respect of Sections 6.11, 7.01, 7.02 and 7.04 of this Agreement.

The documents required to be delivered pursuant to clauses (a), (b) or (c) above shall be deemed to have been delivered on the date on which such documents are filed for public availability on the SEC's Electronic Data Gathering and Retrieval System (it being understood that the Company shall not be required to provide notice to the Administrative Agent or any Lender of such electronic filing of information); provided that the Company shall deliver electronic copies of such information to any Lender promptly upon request of such Lender through the

Administrative Agent. The Administrative Agent shall have no obligation to request the delivery of or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Company 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 copies of such document to it and maintaining its copies of such documents.

6.02 Maintenance of Business. The Company shall, and shall cause each Restricted Subsidiary to, preserve and maintain its existence, and preserve and keep in force and effect all licenses, permits and franchises necessary to the proper conduct of its business except where the failure to have any such license, permit or franchise could not reasonably be expected to have a Material Adverse Effect; provided, however, that nothing in this Section

6.02 shall prohibit the dissolution, merger, sale, transfer or other disposition of any Restricted Subsidiary which is otherwise permitted under Section 7.05 hereof.

6.03 Taxes and Assessments. The Company shall duly pay and discharge, and shall cause each Subsidiary to duly pay and discharge, all material Taxes, rates, assessments, fees and governmental charges upon or against it or its Properties, in each case before the same become delinquent and before penalties accrue thereon, unless and to the extent that the same are being contested in good faith and by appropriate proceedings which prevent enforcement of the matter under contest and adequate reserves in accordance with GAAP are provided therefor.

6.04 Insurance. The Company shall insure and keep insured, and shall cause each Restricted Subsidiary to insure and keep insured, with responsible insurance companies, all insurable Property owned by it which is of a character usually insured by Persons similarly situated and operating like Properties against loss or damage from such hazards and risks, and in such amounts, as are insured by Persons similarly situated and operating like Properties; and the Company shall, and shall cause each Restricted Subsidiary to, maintain insurance with respect to their respective businesses covering such other hazards and risks (including employers' and public liability risks) with responsible insurance companies as and to the extent usually insured by Persons similarly situated and conducting similar businesses (including self-insurance). The Company shall upon written request furnish to the Administrative Agent and any Lender a certificate setting forth in summary form the nature and extent of the insurance maintained pursuant to this Section.

6.05 Inspection. The Company shall, and shall cause each Restricted Subsidiary to, permit the Administrative Agent, each Lender and each of their duly authorized representatives and agents during normal business hours to visit and inspect any of the Properties, corporate books and financial records of the Company and each Restricted Subsidiary, to examine and make copies of the books of accounts and other financial records of the Company and each Restricted Subsidiary, and to discuss the affairs, finances and accounts of the Company and each Restricted Subsidiary with, and to be advised as to the same by, its officers, employees and independent public accountants (and by this provision the Company hereby authorizes such accountants to discuss with the Administrative Agent and such Lender the finances and affairs of the Company and of each Restricted Subsidiary) at such reasonable times and reasonable intervals as the Administrative Agent or any such Lender may designate.

6.06 ERISA. The Company shall, and shall cause each Restricted Subsidiary to, promptly pay and discharge all obligations and liabilities arising under ERISA of a character which if unpaid or unperformed could reasonably be expected to result in the imposition of a Lien against any of its Properties. The Company shall, and shall cause each Restricted Subsidiary to, promptly notify the Administrative Agent and each Lender of (i) the occurrence of any reportable event (as defined in Section 4043 of ERISA) with respect to a Plan (other than a reportable event with respect to which the 30 day notice requirement is waived), (ii) receipt of any notice from the PBGC of its intention to seek termination of any Plan or appointment of a trustee to administer any Plan, (iii) its intention to terminate or withdraw from any Plan, and (iv) the occurrence of any event with respect to any Plan which would result in the incurrence by the Company or any Restricted Subsidiary of any material liability, fine or penalty, or any material increase in the contingent liability of the Company or any Subsidiary with respect to any post-retirement Welfare Plan benefit.

6.07 Compliance with Laws. The Company shall, and shall cause each Subsidiary to, comply with the requirements of all federal, state and local laws, rules, regulations, ordinances and orders applicable to or pertaining

to their Properties or business operations, where any such non-compliance, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

6.08 No Changes in Fiscal Year. Neither the Company nor any Subsidiary shall change its fiscal year from its present basis without the prior written consent of the Required Lenders, such consent not to be unreasonably withheld.

6.09 Compliance with Sanctions Programs and Anti-Corruption Laws.

(a) The Company shall provide the Administrative Agent, each L/C Issuer, and the Lenders promptly after request therefor any information regarding the Company, its Affiliates, and its Subsidiaries necessary for the Administrative Agent, each L/C Issuer and the Lenders to comply with all applicable Sanctions Programs and Anti-Corruption Laws and other similar laws, regulations and orders applicable to any of them; subject however, in the case of Affiliates, to the Company's ability to provide information applicable to them.

(b) If the Company obtains actual knowledge or receives any written notice that the Company, any Affiliate or any Subsidiary is named on any then current Sanctions List or otherwise becomes a Sanctioned Person (such occurrence, a "*Sanctions Event*"), the Company shall promptly (i) give written notice to the Administrative Agent, each L/C Issuer, and the Lenders of such Sanctions Event, and (ii) comply with all applicable laws with respect to such Sanctions Event (regardless of whether the party included on the Sanctions List is located within the jurisdiction of the United States of America), including the Sanctions Programs, and the Company hereby authorizes and consents to the Administrative Agent, each L/C Issuer, and the Lenders taking any and all steps the Administrative Agent, each L/C Issuer, or the Lenders deem necessary, in their sole but reasonable discretion, to avoid violation of all applicable laws with respect to any such Sanctions Event, including the requirements of the Sanctions Programs (including the freezing and/or blocking of assets and reporting such action to OFAC).

(c) No Borrower will use any proceeds of the Loans (and the Company shall not request any Letter of Credit, the proceeds of which, to the knowledge of the Borrowers, will be used to) (i) to finance or otherwise fund, directly or indirectly, any activity or business with any Sanctioned Person or in any Sanctioned Country or (ii) in any other manner that will result in a violation of any Sanctions Program or any Anti-Corruption Laws by any Person (including any Person participating in the Loans or Letters of Credit, whether as lender, underwriter, advisor, investor, or otherwise).

6.10 Redesignation of Restricted and Unrestricted Subsidiaries. The Company may designate any Unrestricted Subsidiary to be a Restricted Subsidiary and may designate any Restricted Subsidiary to be an Unrestricted Subsidiary (if such Subsidiary is permitted to be so designated in accordance with the terms of the definition of "Unrestricted Subsidiary" herein) by giving written notice to the Administrative Agent that the Company has made such designation, *provided, however*, that no Unrestricted Subsidiary may be designated a Restricted Subsidiary and no Restricted Subsidiary may be designated an Unrestricted Subsidiary unless, at the time of such designation and after giving effect thereto, no Default or Event of Default shall exist. Any Restricted Subsidiary that has been designated an Unrestricted Subsidiary and that has been redesignated a Restricted Subsidiary, in each case in accordance with the provisions of the first sentence of this Section 6.10, shall not at any time thereafter be redesignated an Unrestricted Subsidiary without the prior written consent of the Required Lenders. Any Unrestricted Subsidiary that has been designated a Restricted Subsidiary and that has then been redesignated an Unrestricted Subsidiary, in each case in accordance with the provisions of the first sentence of this Section 6.10, shall not, except as required in order for the Company to comply with the requirements of Section 6.11, at any time thereafter be redesignated a Restricted Subsidiary without the prior written consent of the Required Lenders. For the purpose of determining whether a Default or an Event of Default exists after giving effect to any designation pursuant to this Section 6.10, compliance with Sections 6.11, 7.01, 7.02 and 7.04 shall be determined as of the end of the fiscal quarter most recently ended on or before the date of such designation on a pro forma basis as though such designation had been in effect as of the first day of the four consecutive fiscal quarters of the Company ending with such most recent fiscal quarter.

6.11 Limitation on Unrestricted Subsidiaries. The Company (a) will not, as of the end of any fiscal quarter, permit the amount of Consolidated Total Assets to be less than 90% of the Consolidated Total Assets (determined as if the term “*Restricted Subsidiary*” appearing in the defined term Consolidated Total Assets was replaced with the term “*Subsidiary*” and without giving effect to the deduction set forth in such defined term) and

(b) will not, as of the end of any fiscal quarter, permit EBITDA for the period of four consecutive fiscal quarters most recently ending on or prior to such time to be less than 90% of EBITDA (determined as if the term “*Restricted Subsidiary*” appearing in the defined term EBITDA (and in the definition of each term used therein) was replaced with the term “*Subsidiary*” and without giving effect to clause (x) of the definition of “EBIT”) for such period.

6.12 Covenant to Guarantee Obligations. The Company shall cause each direct or indirect Subsidiary of the Borrowers that is a guarantor under any Note Purchase Agreement to become a Guarantor hereunder within five (5) Business Days after the date on which such Subsidiary has become a guarantor under such Note Purchase Agreement by causing such Subsidiary to duly execute and deliver to the Administrative Agent the Subsidiary Guaranty (or a joinder agreement thereto) guaranteeing the Obligations under the Loan Documents (and such supporting resolutions, incumbency certificates, opinions of counsel and other documents or information, in form, content and scope reasonably satisfactory to the Administrative Agent). In addition, the Company may cause any of its Subsidiaries to become a Guarantor after the Closing Date at its election, in accordance with the documentary requirements set forth above in this Section 6.12, regardless of whether required to do so by this Section 6.12.

ARTICLE VII. NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, the Company and each other Borrower, if any, covenant and agree that (with respect to itself only in the case of any Borrower other than the Company):

7.01 Cash Flow Leverage Ratio. The Company shall not, as of the last day of any fiscal quarter, permit its Cash Flow Leverage Ratio to be more than 3.50 to 1.00.

7.02 Interest Coverage Ratio. The Company shall not, as of the last day of any fiscal quarter, permit its Interest Coverage Ratio to be less than 4.00 to 1.00.

7.03 Liens. The Company shall not, nor shall it permit any Restricted Subsidiary to, create, incur or permit to exist any Lien of any kind on any Property owned by the Company or such Restricted Subsidiary; *provided, however*, that the foregoing shall not apply to nor operate to prevent:

(a) Liens arising by statute in connection with worker’s compensation, unemployment insurance, old age benefits, social security obligations, Taxes, assessments, statutory obligations or other similar charges (other than Liens arising under ERISA), pledges and deposits in connection with tenders, leases, statutory obligations, surety bonds, performance and return of money bonds, bids, government contracts, trade contracts, and other obligations of a like nature incurred in the ordinary course of business, including those incurred to secure health, safety and environmental obligations, cash deposits required in connection with any acquisition or similar investment permitted hereby, and other cash deposits required to be made in the ordinary course of business, *provided* in each case that the obligation is not for borrowed money and that, in the case of Liens arising by statute or otherwise in respect of statutory obligations, the obligation secured is not overdue or, if overdue, is being contested in good faith by appropriate proceedings which prevent enforcement of the matter under contest and adequate reserves have been established therefor;

(b) mechanics', workmen's, materialmen's, landlords', carriers', or other similar Liens arising in the ordinary course of business with respect to obligations which are not due or which are being contested in good faith by appropriate proceedings which prevent enforcement of the matter under contest;

(c) judgment liens and judicial attachment liens not constituting an Event of Default under Section 8.01(g) hereof and the pledge of assets for the purpose of securing an appeal, stay or discharge in the course of any legal proceeding, or any appeal bond or similar instrument relating to the same, *provided* that the aggregate amount of liabilities of the Company and its Restricted Subsidiaries secured by a pledge of assets permitted under this subsection, including interest and penalties thereon, if any, shall not at any one time outstanding be in excess of \$100,000,000;

(d) Liens on Property of the Company or any of its Restricted Subsidiaries created solely for the purpose of securing purchase money indebtedness or Capitalized Lease Obligations and, representing or incurred to finance, refinance or refund the purchase price of Property, *provided* that no such Lien shall extend to or cover other Property of the Company or such Restricted Subsidiary other than the respective Property so acquired, and the principal amount of indebtedness secured by any such Lien shall at no time exceed the original purchase price of such Property as reduced by repayments of principal thereon;

(e) leases or subleases granted to others in the ordinary course of business and any interest or title of a lessor under any lease permitted by this Agreement;

(f) (i) customary Liens (x) relating to the establishment of deposit and securities accounts in each case in the ordinary course of the cash management of the Company and its Subsidiaries under customary general terms and conditions encumbering deposits or other funds maintained with a financial institution (including rights of set off, revocation, refund or chargeback under deposit agreements or under the Uniform Commercial Code in favor of banks or other financial institution where the Company or any Restricted Subsidiary maintains deposits in the ordinary course of business), that are within the general parameters customary in the banking industry or arising pursuant to such banking institution's general terms and conditions or (y) relating to pooled deposit or sweep accounts of the Company or any Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Company and its Subsidiaries and (ii) Liens arising solely by virtue of any general banking conditions, statutory or common law provision relating to banker's liens, bankers' rights of set-off or similar rights;

(g) Liens constituting encumbrances in the nature of zoning restrictions, condemnations, easements, encroachments, covenants, rights of way, minor defects, irregularities and rights or restrictions of record on the title or use of real property, which do not materially detract from the value of such property or materially impair the use thereof in the business of the Company or any Restricted Subsidiary;

(h) Liens securing Indebtedness for Borrowed Money of a Restricted Subsidiary to the Company or to a Wholly-Owned Restricted Subsidiary;

(i) Liens existing on any property acquired by the Company or any Subsidiary at the time such property is so acquired (or on the assets of any Subsidiary at the time such Subsidiary is acquired); provided that (i) no such Lien shall have been created or assumed in contemplation of such consolidation or merger or such Person's such acquisition of property (or of such Subsidiary), and (ii) each such Lien shall extend solely to the item or items of property so acquired (or the then-existing assets of such acquired Subsidiary) and, if required by the terms of the instrument originally creating such Lien, other property which is an improvement to or is acquired for specific use in connection with such acquired property or other after-acquired property within the required scope of the original Lien in accordance with a customary after-acquired property clause; and

(j) Liens other than those permitted by any of the foregoing subsections (a) through (i) *provided* such Liens do not at any time secure obligations exceeding the greater of \$1,000,000,000 and 10% of Net Worth as of the last day of the most recent four fiscal quarters of the Company.

7.04 Limitations on Consolidated Priority Indebtedness. The Company will not, as at the end of any fiscal quarter, permit Consolidated Priority Indebtedness to exceed 15% of Consolidated Total Capitalization, calculated in accordance with GAAP.

7.05 Fundamental Changes. The Company shall not, nor shall it permit any Restricted Subsidiary to, merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of the assets of the Company and its Restricted Subsidiaries, taken as a whole (whether now owned or hereafter acquired) to or in favor of any Person, except that, so long as no Default exists or would result therefrom:

(a) the Company, any Restricted Subsidiary or any other Person may merge into, dissolve into, liquidate into or consolidate with the Company or any Restricted Subsidiary; provided that, (i) to the extent such transaction involves the Company, the Company shall be the continuing or surviving Person, (ii) to the extent such transaction involves a Designated Borrower, a Designated Borrower or the Company shall be the continuing or surviving Person, and (iii) to the extent such transaction involves a Subsidiary Guarantor, a Subsidiary Guarantor or the Company shall be the continuing or surviving Person; and

(b) any Restricted Subsidiary (other than a Designated Borrower) may merge into, dissolve into, liquidate into or consolidate with any other Person (other than the Company or any other Restricted Subsidiary), so long as such merger, dissolution, liquidation or consolation does not result, directly or indirectly, in the Disposition (in one or a series of transactions) of all or substantially all of the assets of the Company and its Restricted Subsidiaries, taken as a whole.

7.06 Change in Nature of Business. The Company shall not, and shall not permit any Restricted Subsidiary to, engage in any business or activity if as a result the general nature of the business of the Company and its Restricted Subsidiaries taken as a whole would be changed in any material respect from the general nature of the business engaged in by the Company and its Restricted Subsidiaries on the Closing Date.

ARTICLE VIII. EVENTS OF DEFAULT AND REMEDIES

8.01 Events of Default. Any one or more of the following shall constitute an event of default (each, an “Event of Default”):

(a) default (i) in the payment when due of the principal amount of any Loan or Unreimbursed Amount or (ii) for a period of three (3) Business Days in the payment when due of interest or fees or any part of any other Obligation payable by the Borrowers hereunder or under any other Loan Document; or

(b) default in the observance or performance of any Borrower’s obligation to deliver cash collateral for Letters of Credit as required by Section 2.03 hereof; or

(c) default in the observance or performance of any covenant set forth in Section 6.01(d)(ii), Section 6.09(c) or Article VII hereof; or

(d) default by any Loan Party in the observance or performance of any other provision hereof or of any other Loan Document which is not remedied within 30 days after the earlier of (i) the date on which such failure shall first become known to any Responsible Officer of the Company or (ii) written notice thereof is given to the Company by the Administrative Agent or any Lender; or

(e) (i) any representation or warranty made by the Company herein or in any other Loan Document, or in any statement or certificate furnished by it pursuant hereto or thereto, or in connection with any Loan or other extension of credit made hereunder, proves untrue in any material respect as of the date of the issuance or making thereof, or (ii) any representation or warranty made by any Borrower (other than the Company) or Guarantor herein

or in any other Loan Document, or in any statement or certificate furnished by it pursuant hereto or thereto, or in connection with any Loan or other extension of credit made hereunder, proves untrue in any material respect as of the date of the issuance or making thereof and such untruthfulness could reasonably be expected to have a Material Adverse Effect; or

(f) default shall occur under any evidence of Indebtedness for Borrowed Money issued, assumed or guaranteed by the Company or any Restricted Subsidiary aggregating in excess of \$100,000,000, or under any indenture, agreement or other instrument under which the same may be issued, and such default shall continue for a period of time sufficient to permit the acceleration of the maturity of any such Indebtedness for Borrowed Money (whether or not such maturity is in fact accelerated), or any such Indebtedness for Borrowed Money shall not be paid when due (whether by lapse of time, acceleration or otherwise); or

(g) any judgment or judgments, writ or writs, or warrant or warrants of attachment, or any similar process or processes in an aggregate amount (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage) in excess of \$100,000,000 shall be entered or filed against the Company or any Restricted Subsidiary or against any of their Property which remains unvacated, unbonded, unstayed or unsatisfied for a period of 30 days; or

(h) the Company or any other member of the Controlled Group shall fail to pay when due an amount or amounts aggregating in excess of an amount which has resulted in, or could reasonably be expect to result in, a Material Adverse Effect, which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate a Plan or Plans having aggregate Unfunded Vested Liabilities in excess of an amount which has resulted in, or could reasonably be expect to result in, a Material Adverse Effect (each such Plan or group of Plans, a "Material Plan") shall be filed under Title IV of ERISA by the Company or any other member of the Controlled Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any Material Plan or a proceeding shall be instituted by a fiduciary of any Material Plan against the Company or any other member of the Controlled Group to enforce Section 515 or 4219(c)(5) of ERISA and such proceeding shall not have been dismissed within 30 days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated; or

(i) the occurrence of a Change of Control; or

(j) any Borrower or any Material Subsidiary shall (i) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended, (ii) not pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its Property, (v) institute any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any Debtor Relief Law or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (vi) take any action in furtherance of any matter described in parts (ii) through (v) above, or (vii) fail to contest in good faith any appointment or proceeding described in Section 8.01(k) hereof; or

(k) a custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for any Borrower or any Material Subsidiary or any substantial part of any of its Property, or a proceeding described in Section 8.01(k)(v) shall be instituted against any Borrower or any Material Subsidiary, and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of 60 days; or

(l) any Loan Document or any material provision thereof, 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 the Obligations, ceases to be in full force and effect; or any Borrower or Guarantor contests in writing the validity or enforceability of any Loan Document or any material provision thereof; or any Borrower or Guarantor 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 any material provision thereof.

8.02 Remedies Upon Event of Default. If any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(a) declare the commitment of each Lender to make Loans and any obligation of each L/C Issuer to make L/C Credit Extensions to be terminated, whereupon such commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by each Borrower;

(c) require that the Borrowers Cash Collateralize the L/C Obligations (in an amount equal to the Minimum Collateral Amount with respect thereto); and

(d) exercise on behalf of itself, the Lenders and the L/C Issuers all rights and remedies available to it, the Lenders and the L/C Issuers under the Loan Documents;

provided, however, that upon the occurrence of an event described in Section 8.01(j) or (k) with respect to any Borrower, the obligation of each Lender to make Loans and any obligation of each L/C Issuer to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligations of the Borrowers to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

8.03 Application of Funds. After the exercise of remedies provided for in Section 8.02 (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 8.02), any amounts received on account of the Obligations shall, subject to the provisions of Sections 2.16 and 2.17, be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit Fees) payable to the Lenders and the L/C Issuers (including fees, charges and disbursements of counsel to the respective Lenders and any L/C Issuer and amounts payable under Article III), ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid Letter of Credit Fees and interest on the Loans, L/C Borrowings and other Obligations, ratably among the Lenders and the L/C Issuers in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans and L/C Borrowings, ratably among the Lenders and the L/C Issuers in proportion to the respective amounts described in this clause Fourth held by them;

Fifth, to the Administrative Agent for the account of the applicable L/C Issuers, to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit to the extent not otherwise Cash Collateralized by the Borrowers pursuant to Sections 2.03 and 2.16; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Company or as otherwise required by Law.

Subject to Sections 2.03(c) and 2.16, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fifth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above.

ARTICLE IX. ADMINISTRATIVE AGENT

9.01 Appointment and Authority. Each of the Lenders and the L/C Issuers hereby irrevocably appoints Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article IX are solely for the benefit of the Administrative Agent, the Lenders and the L/C Issuers, and neither the Company nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

9.02 Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind banking, trust, financial, advisory, underwriting or other of business with any Loan Party or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders or to provide notice or consent of the Lenders with respect thereto.

9.03 Exculpatory Provisions. The Administrative Agent or the Arranger, as applicable, shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent or the Arranger, as applicable, and its Related Parties:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or Applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor

Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law;

(c) shall not have any duty or responsibility to disclose, and shall not be liable for the failure to disclose, to any Lender or any L/C Issuer, any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any of the Loan Parties or any of their Affiliates, that is communicated to, obtained or in the possession of, the Administrative Agent, Arranger or any of their Related Parties in any capacity, except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent herein;

(d) shall not be liable for any action taken or not taken by the Administrative Agent under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby or thereby (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given in writing to the Administrative Agent by the Company, a Lender or an L/C Issuer; and

(e) shall not be responsible for or have any duty or obligation to any Lender or participant or any other Person to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

9.04 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or an L/C Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or such L/C Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or such L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Company), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.05 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article IX shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

9.06 Resignation of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders, the L/C Issuers and the Company. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Company, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the “Resignation Effective Date”), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders and the L/C Issuers, appoint a successor Administrative Agent meeting the qualifications set forth above, provided that in no event shall any such successor Administrative Agent be a Defaulting Lender. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by Applicable Law, by notice in writing to the Company and such Person remove such Person as Administrative Agent and, in consultation with the Company, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the “Removal Effective Date”), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (2) except for any indemnity payments or other amounts then owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and each L/C Issuer directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor’s appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or removed) Administrative Agent (other than as provided in Section 3.01(g)) and other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section 9.06). The fees payable by the Company to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Company and such successor. After the retiring or removed Administrative Agent’s resignation or removal hereunder and under the other Loan Documents, the provisions of this Article IX and Section 10.04 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them (i) while the retiring or removed Administrative Agent was acting as Administrative Agent and (ii) after such resignation or removal for as long as any of them continues to act in any capacity hereunder or under the other Loan Documents, including in respect of any actions taken in connection with transferring the agency to any successor Administrative Agent.

(d) Any resignation by Bank of America as Administrative Agent pursuant to this Section 9.06 shall also constitute its resignation as an L/C Issuer. If Bank of America resigns as an L/C Issuer, it shall retain all the rights, powers, privileges and duties of an L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as an L/C Issuer and all L/C Obligations with respect thereto, including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c). Upon the appointment by the Company of a successor L/C Issuer hereunder (which successor shall in all cases be a Lender other than a Defaulting Lender), (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer, (b) the retiring L/C Issuer shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the

time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

9.07 Non-Reliance on the Administrative Agent, the Arranger and the Other Lenders. Each Lender and each L/C Issuer expressly acknowledges that none of the Administrative Agent nor the Arranger has made any representation or warranty to it, and that no act by the Administrative Agent or the Arranger hereafter taken, including any consent to, and acceptance of any assignment or review of the affairs of any Loan Party of any Affiliate thereof, shall be deemed to constitute any representation or warranty by the Administrative Agent or the Arranger to any Lender or each L/C Issuer as to any matter, including whether the Administrative Agent or the Arranger have disclosed material information in their (or their Related Parties') possession. Each Lender and each L/C Issuer represents to the Administrative Agent and the Arranger that it has, independently and without reliance upon the Administrative Agent, the Arranger, any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis of, appraisal of, and investigation into, the business, prospects, operations, property, financial and other condition and creditworthiness of the Loan Parties and their Subsidiaries, and all applicable bank or other regulatory Laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Borrowers hereunder. Each Lender and each L/C Issuer also acknowledges that it will, independently and without reliance upon the Administrative Agent, the Arranger, any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own credit analysis, appraisals and 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, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Loan Parties. Each Lender and each L/C Issuer represents and warrants that (i) the Loan Documents set forth the terms of a commercial lending facility and (ii) it is engaged in making, acquiring or holding commercial loans in the ordinary course and is entering into this Agreement as a Lender or L/C Issuer for the purpose of making, acquiring or holding commercial loans and providing other facilities set forth herein as may be applicable to such Lender or L/C Issuer, and not for the purpose of purchasing, acquiring or holding any other type of financial instrument, and each Lender and each L/C Issuer agrees not to assert a claim in contravention of the foregoing. Each Lender and each L/C Issuer represents and warrants that 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 such L/C Issuer, 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.

9.08 No Other Duties, Etc. Anything herein to the contrary notwithstanding, none of the Bookrunners, Arrangers or Syndication Agents or Documentation Agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or an L/C Issuer hereunder.

9.09 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on any Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuers and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuers and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuers and the Administrative Agent under Sections 2.03(i) and (j), 2.09 and 10.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and each L/C Issuer to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuers, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.09 and 10.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or any L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or any L/C Issuer to authorize the Administrative Agent to vote in respect of the claim of any Lender or any L/C Issuer in any such proceeding.

9.10 Guaranty Matters. The Lenders and the L/C Issuers irrevocably authorize the Administrative Agent to release any Subsidiary Guarantor from its obligations under the Subsidiary Guaranty (a) if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents or (b) if such Subsidiary ceases to, or substantially contemporaneously with the release of its Subsidiary Guaranty hereunder will cease to, or at such time does not, Guarantee any Note Purchase Agreements. The Administrative Agent shall effect any such release permitted by the immediately preceding sentence at the Company's request (and shall, at the Company's expense execute and deliver such documentation as the Company may reasonably request to effect, evidence or acknowledge such release); provided that the Company shall deliver a certificate of a Responsible Officer to the Administrative Agent, representing and warranting that (i) no Default has occurred and is continuing or would result from such release and (ii) the Person to be released is not required to be a Guarantor pursuant to the terms of the Loan Documents.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release any Subsidiary Guarantor from its obligations under the Subsidiary Guaranty pursuant to this Section 9.10.

9.11 Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Company or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii)(A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform

the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Company or any other Loan Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

9.12 Recovery of Erroneous Payments. Without limitation of any other provision in this Agreement, if at any time the Administrative Agent makes a payment hereunder in error to any Lender Recipient Party, whether or not in respect of an Obligation due and owing by any Borrower at such time, where such payment is a Rescindable Amount, then in any such event, each Lender Recipient Party receiving a Rescindable Amount severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount received by such Lender Recipient Party in Same Day Funds in the currency so received, with interest thereon, for each day from and including the date such Rescindable Amount is received by it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. Each Lender Recipient Party irrevocably waives any and all defenses, including any "discharge for value" (under which a creditor might otherwise claim a right to retain funds mistakenly paid by a third party in respect of a debt owed by another) or similar defense to its obligation to return any Rescindable Amount. The Administrative Agent shall inform each Lender Recipient Party promptly upon determining that any payment made to such Lender Recipient Party comprised, in whole or in part, a Rescindable Amount.

ARTICLE X. MISCELLANEOUS

10.01 Amendments, Etc. Subject to Section 3.03 and the last paragraph of this Section 10.01, no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Company or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders and the Company or the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(a) waive any condition set forth in Section 4.01(a) without the written consent of each Lender;

(b) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.02) without the written consent of such Lender;

(c) postpone any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby;

(d) reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to clause (iv)) of the second proviso to this Section 10.01) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby; provided, however, that only the consent of the Required Lenders shall be necessary to amend the definition of “Default Rate” or to waive any obligation of the Borrowers to pay interest or Letter of Credit Fees at the Default Rate;

(e) modify Section 2.13 or any other provision hereof in a manner that would have the effect of altering the ratable reduction of Commitments, pro rata payments or the pro rata sharing of payments otherwise required hereunder or modify Section 8.03, in each case, without the written consent of each Lender;

(f) change any provision of this Section or the definition of “Required Lenders” or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender;

(g) release all or substantially all of the value of the Subsidiary Guaranty without the written consent of each Lender, except to the extent the release of any Subsidiary Guarantor is permitted pursuant to Section 9.10 (in which case such release may be made by the Administrative Agent acting alone);

(h) release the Company (from its obligations as a Borrower or as a Guarantor hereunder or the Company Guaranty) or any Designated Borrower, except in connection with the termination of a Designated Borrower’s status as such under Section 2.18 or a merger or consolidation permitted under Section 7.05;

(i) amend Section 1.09 or the definition of “Alternative Currency” without the written consent of each Lender directly affected thereby; or

(j) subordinate the Obligations to the obligations under any other Indebtedness for Borrowed Money without the written consent of each Lender directly affected thereby.

and, provided, further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the L/C Issuers in addition to the Lenders required above, affect the rights or duties of the L/C Issuers under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; (iii) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto and (iv) the term L/C Commitment may be amended pursuant to a fully executed (and delivered to the Administrative Agent) Notice of Additional L/C Issuer. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended or the maturity of any of its Loans may not be extended, the rate of interest on any of its Loans may not be reduced and the principal amount of any of its Loans may not be forgiven, in each case without the consent of such Defaulting Lender and (y) any waiver, amendment, consent or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely relative to other affected Lenders shall require the consent of such Defaulting Lender.

Notwithstanding any provision herein to the contrary, this Agreement may be amended with the written consent of the Administrative Agent, each L/C Issuer, the Company and the Lenders affected thereby to amend the definition of “Alternative Currency” or “Alternative Currency Daily Rate” or “Alternative Currency Term Rate” or Section 1.09 solely to add additional currency options and the applicable interest rate with respect thereto, in each

case solely to the extent permitted pursuant to Section 1.09. Notwithstanding any provision herein to the contrary, this Agreement may be amended with the written consent of the Administrative Agent and the Company solely to effect jurisdiction-specific amendments in connection with the addition of a Designated Borrower, to the extent permitted pursuant to Section 2.18.

Notwithstanding anything to the contrary herein, this Agreement may be amended and restated without the consent of any Lender (but with the consent of the Loan Parties and the Administrative Agent) if, upon giving effect to such amendment and restatement, such Lender shall no longer be a party to this Agreement (as so amended and restated), the Commitments of such Lender shall have terminated, such Lender shall have no other commitment or other obligation hereunder and shall have been paid in full all principal, interest and other amounts owing to it or accrued for its account under this Agreement.

Notwithstanding any provision herein to the contrary, if the Administrative Agent and the Company acting together identify any ambiguity, omission, mistake, typographical error or other defect in any provision of this Agreement or any other Loan Document (including the schedules and exhibits thereto), then the Administrative Agent and the Company 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.

Notwithstanding any provision herein to the contrary, this Agreement may be amended in connection with the entry into any Credit Increase Amendment in accordance with Section 2.15(g), solely by the Loan Parties, the Administrative Agent and each Lender providing a portion of the increase pursuant thereto, and without the consent of any other Lender.

10.02 Notices; Effectiveness; Electronic Communication.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in clause (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 facsimile or electronic mail as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Company or any other Loan Party, the Administrative Agent or any L/C Issuer, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 10.02; and

(ii) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Company).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by 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 and other communications delivered through electronic communications to the extent provided in sub clause (b) below, shall be effective as provided in such clause (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the L/C Issuers hereunder may be delivered or furnished by electronic communication (including e-mail, FpML messaging, and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or any L/C Issuer pursuant to Article II if such Lender or such L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article II by electronic communication. The Administrative Agent, any L/C Issuer or the Company may each, in its

discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an 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), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the

Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to any Borrower, any Lender, any L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Company's, any Loan Party's or the Administrative Agent's transmission of Borrower Materials or notices through the Platform, any other electronic platform or electronic messaging service, or through the Internet.

(d) Change of Address, Etc. Each of the Borrowers, the Administrative Agent and any L/C Issuer may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the Company, the Administrative Agent and each L/C Issuer. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, facsimile number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and Applicable Law, including United States Federal and state securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Company or its securities for purposes of United States Federal or state securities laws.

(e) Reliance by Administrative Agent, L/C Issuers and Lenders. The Administrative Agent, the L/C Issuers and the Lenders shall be entitled to rely and act upon any notices (including telephonic or electronic notices, Committed Loan Notices, Letter of Credit Applications and Notice of Loan Prepayment) purportedly given by or on behalf of any Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Loan Parties shall indemnify the Administrative Agent, each L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of any Borrower. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

10.03 No Waiver; Cumulative Remedies; Enforcement. No failure by any Lender, any L/C Issuer or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or under any other Loan Document preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 8.02 for the benefit of all the Lenders and the L/C Issuers; provided, however, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) any L/C Issuer from exercising the rights and remedies that inure to its benefit (solely in its capacity as L/C Issuer, as the case may be) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 10.08 (subject to the terms of Section 2.13), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 8.02 and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.13, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

10.04 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Company shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent and the Arrangers (including, but not limited to, (a) the reasonable and documented fees, disbursements and other charges of counsel the Administrative Agent and the Arrangers (taken together) and, if reasonably necessary, of one local counsel in any relevant jurisdiction and (b) reasonable and documented out-of-pocket due diligence expenses), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents (whether or not the transactions contemplated hereby or thereby shall be consummated),

(ii) all reasonable out-of-pocket expenses incurred by the L/C Issuers in connection with the issuance, amendment, extension, reinstatement or renewal of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, the Arrangers, any Lender or any L/C Issuer (including, but not limited to, the reasonable and documented fees, disbursements and other charges of one counsel for the Administrative Agent, the Arrangers, the Lenders and the L/C Issuers (taken together) and, if reasonably necessary, of one local counsel in any relevant jurisdiction), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section 10.04, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such reasonable and documented out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Company. The Company shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and each L/C Issuer, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related documented expenses (including the fees, charges and disbursements of one counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Company or any other Loan Party) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby (including, without limitation, the Indemnitee's reliance on any Communication executed using an Electronic Signature, or in the form of an Electronic Record), the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or

thereby, or, in the case of the Administrative Agent (and any sub agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents (including in respect of any matters addressed in Section 3.01), (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by any L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Company or any of its Subsidiaries, or any Environmental Liability related in any way to the Company or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Company or any other Loan Party, and regardless of whether any Indemnitee is a party thereto, **IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF THE INDEMNITEE**; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the bad faith, gross negligence or willful misconduct of such Indemnitee or (y) result from a claim not involving an act or omission of the Company or any other Loan Party and that is brought by an Indemnitee against another Indemnitee (other than against the arranger or the Administrative Agent in their capacities as such). Without limiting the provisions of Section 3.01(c), this Section 10.04(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Company for any reason fails to indefeasibly pay any amount required under clauses (a) or (b) of this Section 10.04 to be paid by it to the Administrative Agent (or any sub-agent thereof), any L/C Issuer, or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), such L/C Issuer, or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender), such payment to be made severally among them based on such Lenders' Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought), provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or such L/C Issuer in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) or such L/C Issuer in connection with such capacity. The obligations of the Lenders under this clause (c) are subject to the provisions of Section 2.12(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by Applicable Law, no Borrower shall assert, and each Borrower hereby waives, and acknowledges that no other Person shall have, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in clause (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby, except to the extent of direct, as opposed to special, indirect, consequential or punitive, damages determined in a final, nonappealable judgment by a court of competent jurisdiction to have resulted from such Indemnitee's gross negligence, bad faith or willful misconduct.

(e) Payments. All amounts due under this Section 10.04 shall be payable not later than ten Business Days after demand therefor.

(f) Survival. The agreements in this Section 10.04 and the indemnity provisions of Section 10.02(e) shall survive the resignation of the Administrative Agent or the L/C Issuers, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

10.05 Payments Set Aside. To the extent that any payment by or on behalf of any Borrower is made to the Administrative Agent, any L/C Issuer or any Lender, or the Administrative Agent, any L/C Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, such L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and each L/C Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the applicable Overnight Rate from time to time in effect, in the applicable currency of such recovery or payment. The obligations of the Lenders and the L/C Issuers under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

10.06 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither the Company nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder (for the avoidance of doubt not including an assignment or transfer as part of an intercompany merger or consolidation permitted in accordance with Section 7.05) without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in clause (d) of this Section 10.06 and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the L/C Issuers and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including all or a portion of its Commitment and the Loans (including for purposes of this subsection (b), participations in L/C Obligations) at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it or contemporaneous assignments to related Approved Funds (determined after giving effect to such Assignments) that equal at least the amount specified in clause (b)(i)(B) of this Section 10.06 in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in clause (b)(i)(A) of this Section 10.06, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$5,000,000 unless each of the Administrative Agent and, so long as no

Event of Default has occurred and is continuing, the Company otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii)Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement and the other Loan Documents with respect to the Loans or the Commitment assigned, except that this clause (ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among the revolving credit facility provided hereunder on a non-pro rata basis;

(iii)Required Consents. No consent shall be required for any assignment except to the extent required by clause (b)(i)(B) of this Section 10.06 and, in addition:

(A) the consent of the Company (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Company shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender; and

(C) the consent of each L/C Issuer (such consent not to be unreasonably withheld or delayed) shall be required for any assignment.

(iv)Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of \$3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v)No Assignment to Certain Persons. No such assignment shall be made (A) to the Company or any of the Company's Affiliates or Subsidiaries, (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), or (C) to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of one or more natural Persons).

(vi)Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Company and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to

(x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, any L/C Issuer or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of this clause (vi), then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(vii) Subject to acceptance and recording thereof by the Administrative Agent pursuant to clause (e) of this Section 10.06, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05, and 10.04 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, each Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this clause (b) 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 clause (d) of this Section 10.06.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of any Borrower (and such agency being solely for Tax purposes), shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrowers, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by any Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, any Borrower, the Administrative Agent or any L/C Issuer, sell participations to any Person (other than a natural Person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of one or more natural Persons, a Defaulting Lender or the Company or any of the Company's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrowers, the Administrative Agent, the Lenders and the L/C Issuers shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 10.04(b) without regard to the existence of any participation.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 10.01 that affects such Participant. The Company agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to clause (b) of this Section 10.06 (it being understood that the documentation required under Section 3.01(g) shall be delivered to the Lender who sells the participation) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to clause (b) of this Section 10.06; provided that such Participant (A) agrees to be subject to the provisions of Sections 3.06 and 10.13 as if it were an assignee under clause (b) of this Section 10.06 and (B) shall not be entitled to receive any greater payment under Sections 3.01 or 3.04, with respect to any participation, than the Lender from whom it acquired the applicable participation would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a

participation agrees, at the Company's request and expense, to use reasonable efforts to cooperate with the Company to effectuate the provisions of Section 3.06 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.13 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Company, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Resignation as L/C Issuer after Assignment. Notwithstanding anything to the contrary contained herein, if at any time any L/C Issuer assigns all of its Commitment and Loans pursuant to clause (b) above, such L/C Issuer may, upon 30 days' notice to the Administrative Agent, the Company and the Lenders, resign as an L/C Issuer. In the event of any such resignation as an L/C Issuer, the Company shall be entitled to appoint from among the Lenders a successor L/C Issuer hereunder; provided, however, that no failure by the Company to appoint any such successor shall affect the resignation of the applicable L/C Issuer as an L/C Issuer. If the applicable L/C Issuer resigns as an L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit issued by it and outstanding as of the effective date of its resignation as an L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c)). Upon the appointment of a successor L/C Issuer, (x) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer and (y) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the applicable retiring L/C Issuer to effectively assume the obligations of the applicable retiring L/C Issuer with respect to such Letters of Credit.

10.07 Treatment of Certain Information; Confidentiality. Each of the Administrative Agent, the Lenders and the L/C Issuer agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates, its auditors and its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority having jurisdiction over such Person or its Related Parties (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 hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 10.07, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement or any Eligible Assignee invited to be a Lender pursuant to Section 2.15(c) or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to any of the Borrowers and its obligations, this Agreement or payments hereunder, (g) on a confidential basis to (i) any rating agency in connection with rating the Company or its Subsidiaries or the credit facilities provided hereunder or (ii)

the CUSIP Service Bureau or any similar agency in connection with the application, issuance, publishing and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder,

(h) with the consent of the Company or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section 10.07, (y) becomes available to the Administrative Agent, any Lender, any L/C Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than the Company who is not to such party's knowledge subject to confidentiality obligations to the Company or any of its Subsidiaries or (z) is independently discovered or developed by a party hereto without utilizing any Information received from the Company or violating the terms of this Section 10.07. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Agents and the Lenders in connection with the administration of this Agreement, the other Loan Documents, and the Commitments.

For purposes of this Section 10.07, "Information" means all information received from the Company or any Subsidiary relating to the Company or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or any L/C Issuer on a nonconfidential basis prior to disclosure by the Company or any Subsidiary, provided that, in the case of information received from the Company or any Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section 10.07 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 of the Administrative Agent, the Lenders and the L/C Issuers acknowledges that (a) the Information may include material non-public information concerning the Company or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with Applicable Law, including United States Federal and state securities Laws.

10.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender, each L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, after obtaining the prior written consent of the Administrative Agent, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, such L/C Issuer or any such Affiliate to or for the credit or the account of the Company or any other Loan Party against any and all of the obligations of the Company or such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or such L/C Issuer or their respective Affiliates, irrespective of whether or not such Lender, L/C Issuer or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Company or such Loan Party may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender or such L/C Issuer different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.17 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the L/C Issuers and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, each L/C Issuer and their respective Affiliates under this Section 10.08 are in addition to other rights and remedies (including other rights of setoff) that such Lender, such L/C Issuer or their respective Affiliates may have. Each Lender and each L/C Issuer agrees to notify the Company 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.

10.09 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by Applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the

principal of the Loans or, if it exceeds such unpaid principal, refunded to the Company. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by Applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

10.10 Integration; Effectiveness. This Agreement, the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent or any L/C Issuer, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

10.11 Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

10.12 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 10.12, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent or any L/C Issuer as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

10.13 Replacement of Lenders. If the Company is entitled to replace a Lender pursuant to the provisions of Section 3.06, or if any Lender is a Defaulting Lender or a Non-Consenting Lender or if any other circumstance exists hereunder that gives the Company the right to replace a Lender as a party hereto, then the Company may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.06), all of its interests, rights (other than its existing rights to payments pursuant to Sections 3.01 and 3.04) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Company shall have paid (or caused a Designated Borrower to pay) to the Administrative Agent the assignment fee (if any) specified in Section 10.06(b);

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such

outstanding principal and accrued interest and fees) or the Company (or applicable Designated Borrower) (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with applicable Laws; and

(e) in the case of an assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Company to require such assignment and delegation cease to apply.

Each party hereto agrees that (a) an assignment required pursuant to this Section 10.13 may be effected pursuant to an Assignment and Assumption executed by the Company, the Administrative Agent and the assignee and (b) 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, further that any such documents shall be without recourse to or warranty by the parties thereto.

Notwithstanding anything in this Section 10.13 to the contrary, (i) any Lender that acts as an L/C Issuer may not be replaced hereunder at any time it has any Letter of Credit outstanding hereunder unless arrangements satisfactory to such Lender (including the furnishing of a backstop standby letter of credit in form and substance, and issued by an issuer, reasonably satisfactory to such L/C Issuer or the depositing of cash collateral into a cash collateral account in amounts and pursuant to arrangements reasonably satisfactory to such L/C Issuer) have been made with respect to such outstanding Letter of Credit and (ii) the Lender that acts as the Administrative Agent may not be replaced hereunder except in accordance with the terms of Section 9.06.

10.14 Governing Law; Jurisdiction; Etc.

(a) GOVERNING LAW. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ANY CONFLICTS OF LAWS PRINCIPLES.

(b) SUBMISSION TO JURISDICTION. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST ANY OTHER PARTY HERETO OR ANY RELATED PARTY OF THE FOREGOING IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK SITTING IN NEW YORK COUNTY, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE

FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH PARTY HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

(c) WAIVER OF VENUE. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN CLAUSE (B) OF THIS SECTION 10.14. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

10.15 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.15.

10.16 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Company and each other Loan Party acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Arrangers, and the Lenders are arm's-length commercial transactions between the Company, each other Loan Party and their respective Affiliates, on the one hand, and the Administrative Agent, the Arrangers and the Lenders, on the other hand, (B) each of the Company and the other Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Company and each other Loan Party is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Administrative Agent, each Arranger and each Lender is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Company, any other Loan Party or any of their respective Affiliates, or any other Person and (B) neither the Administrative Agent, any Arranger nor any Lender has any obligation to the Company, any other Loan Party or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the Arrangers and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company, the other Loan Parties and their respective Affiliates, and neither the Administrative Agent, any Arranger nor any Lender has any obligation to disclose any of such interests to the Company, any other Loan Party or any of their respective Affiliates. To the fullest extent permitted by law, each of the Company and each other Loan Party hereby waives and releases any claims that it may have against the Administrative Agent, any Arranger or any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

10.17 Electronic Execution; Electronic Records; Counterparts. This Agreement, any Loan Document and any other Communication, including Communications required to be in writing, may be in the form of an Electronic Record and may be executed using Electronic Signatures. Each of the Loan Parties and each of the Administrative Agent and each Lender Party agrees that any Electronic Signature on or associated with any Communication shall be valid and binding on such Person to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of such Person enforceable against such Person in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. The Administrative Agent and each of the Lender Parties may, at its option, create one or more copies of any Communication in the form of an imaged Electronic Record ("Electronic Copy"), which shall be deemed created in the ordinary course of such Person's business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, neither the Administrative Agent nor any L/C Issuer is under any obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by such Person pursuant to procedures approved by it; provided, further, without limiting the foregoing, (a) to the extent the Administrative Agent and/or any L/C Issuer has agreed to accept such Electronic Signature, the Administrative Agent and each of the Lender Parties shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of any Loan Party and/or any Lender Party without further verification and (b) upon the request of the Administrative Agent or any Lender Party, any Electronic Signature shall be promptly followed by such manually executed counterpart.

Neither the Administrative Agent nor any L/C Issuer shall be responsible for or have any duty to ascertain or inquire into the sufficiency, validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document (including, for the avoidance of doubt, in connection with the Administrative Agent's or any L/C Issuer's reliance on any Electronic Signature transmitted by telecopy, emailed

.pdf or any other electronic means). The Administrative Agent and L/C Issuers 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 Communication (which writing may be a fax, any electronic message, Internet or intranet website posting or other distribution or signed using an Electronic Signature) or any statement made to it orally or by telephone and believed by it to be genuine and signed or sent or otherwise authenticated (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the maker thereof).

Each of the Loan Parties and each Lender Party hereby waives (i) any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document based solely on the lack of paper original copies of this Agreement, such other Loan Document, and (ii) waives any claim against the Administrative Agent, each Lender Party and each Related Party for any liabilities arising solely from the Administrative Agent's and/or any Lender Party's reliance on or use of Electronic Signatures, including any liabilities arising as a result of the failure of the Loan Parties to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

10.18 USA PATRIOT Act. Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrowers that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Company and each other Loan Party, which information includes the name and address of the Company and each other Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Company and each other Loan Party in accordance with the Act. The Company and each other Loan Party shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative

Agent or such Lender requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the Act.

10.19 ENTIRE AGREEMENT. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

10.20 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 Lender or any L/C Issuer that is an Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender or any L/C Issuer that is an Affected Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

10.21 Judgment Currency. If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of each Loan Party in respect of any such sum due from it to the Administrative Agent or any Lender hereunder or under the other Loan Documents shall, notwithstanding any judgment in a currency (the “Judgment Currency”) other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the “Agreement Currency”), be discharged only to the extent that on the Business Day following receipt by the Administrative Agent or such Lender, as the case may be, of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent or such Lender, as the case may be, may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent or any Lender from any Loan Party in the Agreement Currency, such Loan Party agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or such Lender, as the case may be, against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent or any Lender in such currency, the Administrative Agent or such Lender, as the case may be, agrees to return the amount of any excess to such Loan Party (or to any other Person who may be entitled thereto under Applicable law).

10.22 Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Swap Contract or any other agreement or instrument that

is a QFC (such support, “QFC Credit Support”, and each such QFC, a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 10.22, the following terms have the following meanings:

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

“Covered Entity” means any of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

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

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

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

ARTHUR J. GALLAGHER & CO.

By:

Name: [Type Signatory Name]

Title: [Type Signatory Title]

[Signature Page to Credit Agreement]

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

By:
Name: [Type Signatory Name]
Title: [Type Signatory Title]

[Signature Page to Credit Agreement]

BANK OF AMERICA, N.A.,
as a Lender and an L/C Issuer

By:
Name: [Type Signatory Name]
Title: [Type Signatory Title]

[Signature Page to Credit Agreement]

[], as Lender

By:
Name: [Type Signatory Name]
Title: [Type Signatory Title]

[for Lenders requiring two signature blocks]

By:
Name: [Type Signatory Name]
Title: [Type Signatory Title]

[Signature Page to Credit Agreement]

Summary report:	
Litera Compare for Word 11.3.0.46 Document comparison done on 11/6/2023 9:44:50 PM	
Style name: Comments+Color Legislative Moves+Images	
Intelligent Table Comparison: Active	
Original DMS: iw://dmsweb.ad.dpw.com/AMERICASACTIVE/97454923/1	
Modified DMS: iw://dmsweb.ad.dpw.com/AMERICASACTIVE/97454923/6	
Changes:	
Add	23
Delete	44
Move From	7
Move To	7
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	81

FORM NOTICE OF OPTION GRANT

Participant							
Notice	You have been granted the following stock option (the “ <u>Option</u> ”) to purchase Shares in accordance with the terms of the Arthur J. Gallagher & Co. 2022 Long-Term Incentive Plan (the “ <u>Plan</u> ”) and the Stock Option Award Agreement (the “ <u>Agreement</u> ”) attached hereto.						
Type of Award	Nonqualified Stock Option						
Grant Date							
Option Price per Share							
Number of Shares of Common Stock subject to the Option							
Vesting Schedule	<p>The exercise of your Option is subject to the terms of the Plan and this Agreement. Beginning on each of the following dates, which shall be no earlier than three years from the Grant Date, you may exercise your Option to purchase the corresponding percentage of the total number of Shares underlying your Option. You may then exercise your Option to purchase that portion of the Shares at any time until your Option terminates or expires.</p> <p><u>Vesting Date</u>* <u>Vested Percentage</u></p> <table> <tr> <td>Third anniversary of the Grant Date</td> <td>33.33</td> </tr> <tr> <td>Fourth anniversary of the Grant Date</td> <td>66.67</td> </tr> <tr> <td>Fifth anniversary of the Grant Date</td> <td>100</td> </tr> </table> <p>However, in the event of your termination of employment, including your death, Disability or Retirement, the exercisability of the Option will be governed by Section 5 of the Agreement.</p>	Third anniversary of the Grant Date	33.33	Fourth anniversary of the Grant Date	66.67	Fifth anniversary of the Grant Date	100
Third anniversary of the Grant Date	33.33						
Fourth anniversary of the Grant Date	66.67						
Fifth anniversary of the Grant Date	100						
Expiration Date	Your Option will expire seven years from the Grant Date, subject to earlier termination as set forth in the Plan and the attached Agreement. <u>Your Option contains an Automatic Exercise provision (Section 4(d)).</u>						

BY MY ELECTRONIC ELECTION TO ACCEPT THE TERMS AND CONDITIONS OF THIS GRANT OF STOCK OPTIONS (WHICH SERVES AS MY ELECTRONIC

SIGNATURE OF THE AGREEMENT), I AGREE THAT MY PARTICIPATION IN THE PLAN IS GOVERNED BY THE PROVISIONS OF THE PLAN AND THE AGREEMENT. (INCLUDING THE DELAWARE CHOICE OF GOVERNING LAW AND ITS OTHER TERMS AND CONDITIONS AND THE ADDENDUM, IF ANY, FOR MY COUNTRY OF RESIDENCE).

2

FORM OF ARTHUR J. GALLAGHER & CO. 2022 LONG-TERM INCENTIVE PLAN STOCK OPTION AWARD AGREEMENT

This Stock Option Award Agreement (this "Agreement"), dated as of the Grant Date set forth in the Notice of Option Grant attached hereto (the "Grant Notice") is made between Arthur J. Gallagher & Co., a Delaware corporation (the "Company"), and the Participant set forth in the Grant Notice. The Grant Notice is included in and made part of this Agreement.

WHEREAS, the Company desires to grant an award of stock options to the Participant under and pursuant to the Company's 2022 Long-Term Incentive Plan (the "Plan");

WHEREAS, the Company desires to evidence the award of a stock option to the Participant and to have the Participant acknowledge the terms and conditions of the stock option award by this Agreement; and

WHEREAS, the Compensation Committee of the Board of Directors of the Company (the "Committee") or its delegate, as applicable, has approved this stock option award.

NOW, THEREFORE, IT IS AGREED:

1. Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below; other capitalized terms used in this Agreement shall have the meaning specified for such terms in the Plan, unless a different meaning is specified in this Agreement:

(a) "Benefit Services" means any employee benefit brokerage, consulting, or administration services, in the areas of group insurance, defined benefit and defined contribution pension plans, individual life, disability and capital accumulation products, and all other employee benefit areas.

(b) "Company" shall mean the Company and any corporation 50% or more of the stock of which is beneficially owned directly by the Company or indirectly through another corporation or corporations in which the Company is the beneficial owner of 50% or more of the stock.

(c) "Company Account" will be construed broadly to include all users of insurance services or benefit services including commercial and individual consumers, risk managers, carriers, agents and other insurance intermediaries; **provided that, this subsection is subject to any special terms and conditions set forth in any addendum to this Agreement for the state a Participant is employed by the Company in, or primarily performing work for the Company in ("Addendum").**

(d) "Confidential Information" will be construed broadly to include confidential and proprietary data and trade secret information of the Company which is not known either to its competitors or within the industry generally and which has independent economic value to the Company, and is subject to reasonable efforts that

are reasonable under the circumstances to maintain its secrecy, and which may include, but is not limited to: data relating to the Company's unique marketing and servicing programs, procedures and techniques; investment, wealth management and retirement plan consulting, variable annuities, and fund investment business and related products and services; underwriting criteria for general programs; business, management and human resources/personnel strategies and practices; the criteria and formulae used by the Company in pricing its insurance and benefits products and claims management, loss control and information management services; the structure and pricing of special insurance packages negotiated with underwriters; highly sensitive information about the Company's agreements and relationships with underwriters; sales data contained in various tools and resources (including, without limitation, Salesforce.com); lists of prospects; the identity, authority and responsibilities of key contacts at Company accounts and prospects; the composition and organization of Company accounts' businesses; the peculiar risks inherent in the operations of Company accounts; highly sensitive details concerning the structure, conditions and extent of existing insurance coverages of Company accounts; policy expiration dates, premium amounts and commission rates relating to Company accounts; risk management service arrangements relating to Company accounts; loss histories relating to Company accounts; candidate and placement lists relating to Company accounts; the Company's personnel and payroll data including details of salary, bonus, commission and other compensation arrangements; and other data showing the particularized insurance or consulting requirements and preferences of Company accounts.

(e) "Direct or indirect solicitation" means, with respect to a Company Account or Prospective Account, the following (which is not intended to be an exhaustive list of direct or indirect solicitation, but is meant to provide examples of certain reasonably anticipated scenarios): (i) The sending of an announcement by the Participant or on the Participant's behalf to any Company Account or Prospective Account, the purpose of which is to communicate that the Participant has either formed his own business enterprise or joined an existing business enterprise that will offer products or services in any way competitive with the Company; initiating a communication or contact by the Participant or on the Participant's behalf with any Company Account or Prospective Account for the purpose of notifying such Company Account or Prospective Account that the Participant has either formed his own business enterprise or joined an existing business enterprise that will offer products or services in any way competitive with the Company; (iii) communication or contact by the Participant or on the Participant's behalf with any Company Account or Prospective Account if the communication in any way relates to insurance or benefits services; provided, however, nothing herein is intended to limit communications or contacts that are unrelated to insurance and/or benefits services; or (iv) the facilitation by the Participant, directly or indirectly, of any Company Account's execution of a broker of record letter replacing the Company as its broker of record.

(f) "Disability" shall have the meaning given to the term "Long-Term Disability" under the Arthur J. Gallagher & Co. Long-Term Disability Insurance

Plan, as amended from time to time, or such successor long-term disability plan under which the Participant is covered at the time of determination.

(g)“For Cause Termination” shall mean a termination of employment based upon the good faith determination of the Company that one or more of the following events has occurred: (i) the Participant has committed a dishonest or fraudulent act to the material detriment of the Company; (ii) the Participant has been convicted (or pleaded guilty or *nolo contendere*) for a crime involving moral turpitude or for any felony; (iii) material and persistent insubordination on the part of the Participant; (iv) the loss by the Participant, for any reason, of any license or professional registration without the Company’s written consent; (v) the diversion by the Participant of any business or business opportunity of the Company for the benefit of any party other than the Company; (vi) material violation of the Company’s Global Standards of Business Conduct by the Participant; or (vii) the Participant has engaged in illegal conduct, embezzlement or fraud with respect to the assets, business or affairs of the Company. A Participant shall be deemed to have undergone a For Cause Termination if, after the Participant’s employment has been terminated, facts and circumstances are discovered that would have justified a For Cause Termination.

(h)“Insurance Services” means any renewal, discontinuance or replacement of any insurance or reinsurance by, or handling self-insurance programs, insurance claims or other insurance administrative functions.

(i)“Prospective Account” means any entity (other than a then-current Company Account but including former Company Accounts) with respect to whom, at any time during the one year period preceding the termination of the Participant’s employment with the Company, the Participant: (i) submitted or assisted in the submission of a presentation or proposal of any kind on behalf of the Company, (ii) had material contact or acquired Confidential Information as a result of or in connection with the Participant’s employment with the Company, or (iii) incurred travel and/or entertainment expenses which were reimbursed by the Company to the Participant.

(j) “Retirement” means a termination of employment with the Company by the Participant which is not a For Cause Termination and where the Participant is then at least 62 years old.

(k)“Section 409A” means Section 409A of the Code, and the Treasury Regulations promulgated and other official guidance issued thereunder.

2. Grant of the Option. Subject to the provisions of this Agreement and the provisions of the Plan, the Company hereby grants to the Participant the right and option (the “Option”) to purchase all or any portion of the Number of Shares of Common Stock subject to the Option (“Shares”) set forth in the Grant Notice at the Option Price per Share and on the other terms as set forth in the Grant Notice.

3. Exercisability of the Option. The Option shall become exercisable in accordance with the Vesting Schedule and other terms set forth in the Grant Notice. The Option shall terminate on the seventh anniversary of the Grant Date stated in the Grant Notice (the

“Expiration Date”), subject to earlier termination as set forth in the Plan and this Agreement.

4. Method of Exercise of the Option.

(a) The Participant may exercise the Option, to the extent then vested and exercisable, by delivering an electronic notice to the Company’s stock plan administrator in a form satisfactory to the Committee and in accordance with the procedures established by the Company and the stock plan administrator, specifying the number of Shares with respect to which the Option is being exercised and payment to the Company of the aggregate Option Price in accordance with Section 4(b). The Option may be exercised at any time as to all or any of the Shares then purchasable hereunder; provided, however, that the Option may be exercised only with respect to whole Shares. The Participant hereby acknowledges that his or her ability to exercise the Option may be restricted by the Company’s Insider Trading Policy and Global Standards of Business Conduct.

(b) At the time the Participant exercises the Option, the Participant shall pay the Option Price of the Shares as to which the Option is being exercised to the Company, which payment may be made by one or more of the methods available under the Plan, subject to any additional limitations or conditions that may be imposed by the Company and/or its stock plan administrator. Such exercise shall be effective upon receipt by the Secretary of the Company, at the main office of the Company, of such written notice and payment, or, if the Company has engaged a third-party stock plan administrator, in accordance with the procedures established on such third party’s website.

(c) The Company’s obligation to deliver the Shares to which the Participant is entitled upon exercise of the Option is conditioned on the Participant’s satisfaction in full to the Company of the aggregate Option Price of those Shares and the required tax withholding related to such exercise.

(d) Automatic Exercise.

(i) To the extent that the Participant has not exercised the Option prior to the closing of the New York Stock Exchange on the Expiration Date or the last trading day immediately preceding the Expiration Date if the Expiration Date is not a trading day on the New York Stock Exchange (the “Automatic Exercise Date”), and the Option Price is less than the closing transaction price of a share of Common Stock as reported on the New York Stock Exchange on the Automatic Exercise Date, then the Option shall be automatically exercised with respect to the remaining vested Shares immediately following the close of business on the Automatic Exercise Date, pursuant to the terms of this Section , as well as any rules, procedures or minimum value thresholds adopted by the Company or any stock plan administrator for effecting this automatic exercise provision.

(ii) The payment of the Option Price in connection with an automatic exercise pursuant to this Section will be made pursuant to Section 2.1(c)(i)(C) of the Plan, and the Company will withhold an amount sufficient to satisfy all taxes associated with such exercise in accordance with Section 6.5(ii)(C) of the Plan. To the extent that a fraction of a share of Common Stock would be required to pay the entire amount of the Option

Price and the tax withholding, the Company shall have the option of collecting the balance in excess of the maximum number of whole shares by: (A) deducting such amount from the wages or other amounts otherwise payable to the Participant, (B) requiring the Participant to pay such amount to the Company in cash or by check, (C) deducting such amount from other amounts held by any stock plan administrator or broker for the benefit of the Participant to the extent authorized, or (D) notwithstanding the express statements in Section 2.1(c) and Section 6.5 of the Plan and any other provision of the Plan or this Agreement, if permitted by the Company at the time of automatic exercise, by netting one additional Share in the automatic exercise and paying the unused fraction to the Participant in cash.

(iii) The exercise of the Option is the responsibility of the Participant and this automatic exercise provision is being provided by the Company to the Participant as a convenience and as a protection against inadvertent expiration of the Option by the Participant, and the Participant has no right for the Option to be automatically exercised pursuant to this Section. By accepting the Option, the Participant hereby agrees and consents to the application of this Section, and waives any and all claims against the Company, and its employees and agents, resulting from the occurrence or nonoccurrence of an automatic exercise of the Option pursuant to this Section and any rules or procedure adopted by the Company or any stock plan administrator for effecting this automatic exercise provision.

(iv) The Company may, in its sole discretion, exclude the application of this automatic exercise provision at or during any time or times, or for Participants located outside of the United States. This Section will not apply if and to the extent that the automatic exercise of the Option for the Participant is not permissible under applicable laws. Except for terminations described in Section 5(a), (c) or (d) below, or as otherwise determined by the Committee, this Section shall not apply to the Option if the Participant incurs a termination of employment on or before the Automatic Exercise Date.

5. Termination of Employment. Except as provided in this Agreement, as applicable, the Option shall terminate and be forfeited upon termination of the Participant's employment, and upon such termination and forfeiture of the Option, no Shares may thereafter be purchased under the Option. Notwithstanding anything contained in this Agreement, the Option shall not be exercised after the Expiration Date.

(a)*Death or Disability.* If the Participant's employment with the Company is terminated due to death or Disability and the Participant has neither engaged in nor expressed an intention to engage in any of the activities described in Section 18 or the Addendum to the Agreement, as applicable, then the Option shall thereafter be immediately exercisable for all or any portion of the full number of Shares available for purchase under the Option until the Expiration Date.

(b)*For Cause Termination.* If the Participant undergoes a For Cause Termination by the Company, then the Option shall immediately terminate and no portion of the Option shall be exercisable as of the date of such termination, regardless of whether or not all or any portion was vested and exercisable prior to the date of such termination.

(c)*Retirement.* If the Participant's employment with the Company is terminated due to Retirement and the Participant has neither engaged in nor expressed an intention to engage in any of the activities described in Section 18 or the Addendum to the Agreement, as applicable, the Option shall continue to vest according to the Vesting Schedule and shall be exercisable (to the extent vested as of the exercise date) until the Expiration Date.

(d)*Other Terminations.* Upon termination of the Participant's employment by the Company or by the Participant other than under the circumstances described in Sections 5(a), 5(b) or 5(c), the Option, to the extent vested and exercisable as of the date of such termination, shall thereafter be exercisable for a period of 30 days from the date of such termination, and any portion of the Option that was not exercisable as of the date of such termination shall be immediately forfeited.

6. Recapitalization. In the event that the outstanding Common Stock of the Company is changed by reason of a stock dividend, stock split, recapitalization, merger, consolidation, or a combination or exchange of shares, the number of Shares subject to the Option shall be adjusted in compliance with Section 6.7 of the Plan so that the Participant shall receive upon exercise of the Option in whole or in part thereafter that number of shares of the class of the capital stock of the Company or its successor that the Participant would have been entitled to receive had he or she exercised the Option immediately prior to the record date for such event. In the event of such an adjustment, the per-share Option Price shall be adjusted accordingly, so that there will be no change in the aggregate Option Price payable upon exercise of the Option.

7. Compliance with Laws and Regulations. The Company shall not be obligated to issue any Shares pursuant to this Agreement unless the Shares are at that time effectively registered or exempt from registration under the Securities Act of 1933, as amended, and, as applicable, local and foreign laws. Notwithstanding the foregoing, the Company is under no obligation to register any Shares to be issued under this Agreement pursuant to federal or state securities laws.

8. Acceptance of Benefits/Plan Governs. By accepting any benefit under this Agreement, the Participant and any person claiming under or through the Participant shall be conclusively deemed to have indicated his or her acceptance and ratification of, and consent to, all of the terms and conditions of the Plan and this Agreement and any action taken under the Plan by the Committee or the Company, in any case in accordance with the terms and conditions of the Plan. Unless defined herein, capitalized terms are used herein as defined in the Plan. In the event of any conflict between the provisions of the Plan and this Agreement, the provisions of the Plan shall control, and this Agreement shall be deemed to be modified accordingly. This Agreement is subject to all the terms, provisions and conditions of the Plan, which are incorporated herein by reference, and to such rules, policies and regulations as may from time to time be adopted by the Committee. All determinations and interpretations made by the Committee with regard to any question arising hereunder or under the Plan shall be binding and conclusive on the Participant and on his or her legal representatives and beneficiaries.

9. Tax Withholding.

(a) Regardless of any action the Company takes with respect to any or all income tax (including U.S. federal, state and local taxes and/or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding (“Tax-Related Items”), the Participant acknowledges that the ultimate liability for all Tax-Related Items legally due by the Participant is and remains the Participant's responsibility. Furthermore, the Company (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, including the grant of the Option, the vesting of the Option, the exercise of the Option, the subsequent sale of any Shares acquired pursuant to the Option and the receipt of any dividends; and (ii) do not commit to structure the terms of the grant or any aspect of the Option to reduce or eliminate the Participant's liability for Tax-Related Items. Further, if the Participant becomes subject to taxation in more than one country between the date the Option is granted and the date of any relevant taxable or tax withholding event, as applicable, the Participant acknowledges that the Company (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one country.

(b) Prior to the delivery of Shares upon exercise of the Option, if the Participant's country of residence (and/or country of employment, if different) requires the withholding of Tax-Related Items, the Participant authorizes the Company to withhold all applicable Tax-Related Items legally payable by the Participant from any wages or other cash compensation paid to the Participant by the Company. Alternatively, or in addition, if permissible under local law, the Participant authorizes the Company, at its discretion and pursuant to such procedures as it may specify from time to time, to satisfy the obligations with regard to all Tax-Related Items legally payable by the Participant by one or a combination of the following: (a) withholding otherwise deliverable whole Shares having an aggregate Fair Market Value determined as of the date the obligation to withhold or pay taxes arises in connection with the Option; (b) withholding from the proceeds of the sale of Shares acquired upon exercise of the Option; or (c) requiring the Participant (or the Participant's personal representative or beneficiary, as the case may be) to provide a cash payment to the Company in the amount necessary to satisfy any such obligation.

(c) If the obligation for Tax-Related Items is satisfied by withholding a whole number of Shares as described herein, the Participant shall be deemed to have been issued the full number of Shares subject to the Option, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Option.

(d) In the event the withholding requirements are not satisfied, no Shares will be issued to the Participant (or the Participant's personal representative or beneficiary, as the case may be) upon exercise of the Option unless and until satisfactory arrangements (as determined by the administrator) have been made by the Participant with respect to the payment of any Tax-Related Items that the Company determines, in its sole discretion, must be withheld or collected with respect to such Option. By accepting this Option, the Participant expressly consents to the withholding of Shares and/or cash as provided for hereunder. All other Tax-Related Items related to the Option and any Shares delivered in payment thereof are the Participant's sole responsibility.

10. Non-Transferability. The Option shall not be transferable otherwise than by will or the laws of descent and distribution, and is exercisable, during the lifetime of the

Participant, only by him or her; provided, however, that the Committee may, in its discretion, permit the Option to be transferred subject to such conditions and limitations as the Committee may impose.

11. No Right to Continued Employment. The Company is not obligated by or as a result of the Plan or this Agreement to continue the Participant's employment, and neither the Plan nor this Agreement shall interfere in any way with the right of the Company to terminate the employment of the Participant at any time.

12. No Rights as a Stockholder. Neither the Participant nor any other person shall become the beneficial owner of the Shares subject to the Option, nor have any rights to dividends or other rights as a stockholder with respect to any such Shares, until the Participant has actually received such Shares following the exercise of the Option in accordance with the terms of the Plan and this Agreement.

13. Nature of Grant. In accepting this grant of Options, the Participant acknowledges that:

- (a) The Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;
- (b) This award of Options is a one-time benefit and does not create any contractual or other right to receive future grants of Options, benefits in lieu of Options, or other Plan benefits in the future, even if Options have been granted repeatedly in the past;
- (c) All decisions with respect to future Option grants, if any, and their terms and conditions, will be made by the Company, in its sole discretion;
- (d) Nothing contained in this Agreement is intended to create or enlarge any other contractual obligations between the Company and the Participant;
- (e) The Participant is voluntarily participating in the Plan;
- (f) The future value of the Shares underlying the Options is unknown and cannot be predicted with certainty;

In addition, the following provisions apply if the Participant is providing services outside the United States:

- (g) The Options and Shares subject to the Options are:
 - (i) extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or its subsidiaries, and are outside the scope of the Participant's employment contract, if any;
 - (ii) not intended to replace any pension rights or compensation;
 - (iii) not part of the Participant's normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits, or similar payments and in no event

should they be considered as compensation for, or relating in any way to, past services for the Company or any of its subsidiaries;

- (h) In consideration of the award of Options, no claim or entitlement to compensation or damages shall arise from the Options resulting from Termination of Employment (for any reason whatsoever) and the Participant irrevocably releases the Company and its subsidiaries from any such claim that may arise; if any such claim is found by a court of competent jurisdiction to have arisen, then, by signing or electronically accepting this Agreement, the Participant shall be deemed irrevocably to have waived the Participant's entitlement to pursue such claim;
- (i) Neither the Company nor any of its subsidiaries shall be liable for any change in value of the Options, the amount realized upon exercise of the Options or the amount realized upon a subsequent sale of any Shares acquired upon exercise of the Options, resulting from any fluctuation of the United States Dollar/local currency foreign exchange rate.

14. Notice and Consent to Transfer Personal Data. Pursuant to applicable personal data protection laws, the Company hereby notifies the Participant of the following in relation to the Participant's personal data and the collection, processing and transfer of such data in relation to the Company's grant of the Options and the Participant's participation in the Plan. The collection, processing and transfer of the Participant's personal data is necessary for the Company's administration of the Plan and the Participant's participation in the Plan. The Participant's denial and/or objection to the collection, processing and transfer of personal data may affect the Participant's participation in the Plan. As such, the Participant voluntarily acknowledges and consents (where required under applicable law) to the collection, use, processing and transfer of personal data as described herein. The Company holds certain personal information about the Participant, including the Participant's name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all options or any other entitlement to Shares awarded, canceled, purchased, vested, unvested, exercised or outstanding in the Participant's favor, for the purpose of managing and administering the Plan ("Data"). The Data may be provided by the Participant or collected, where lawful, from third parties, and the Company will process the Data for the sole and exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Data processing will take place through electronic and non-electronic means according to logics and procedures strictly correlated to the purposes for which Data are collected and with confidentiality and security provisions as set forth by applicable laws and regulations in the Participant's country of residence. Data processing operations will be performed minimizing the use of personal and identification data when such operations are unnecessary for the processing purposes sought. Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Plan and for the Participant's participation.

The Company will transfer Data internally as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan, and the Company may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be

located in the European Economic Area, or elsewhere throughout the world, such as the United States. The Participant hereby authorizes (where required under applicable law) for them to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on the Participant's behalf to a broker or other third party with whom the Participant may elect to deposit any Shares acquired pursuant to the Plan.

The Participant may, at any time, exercise their rights provided under applicable personal data protection laws, which may include the right to (a) obtain confirmation as to the existence of the Data, (b) verify the content, origin and accuracy of the Data, (c) request the integration, update, amendment, deletion, or blockage (for breach of applicable laws) of the Data, and (d) to oppose, for legal reasons, the collection, processing or transfer of the Data which is not necessary or required for the implementation, administration and/or operation of the Plan and the Participant's participation in the Plan. The Participant may seek to exercise these rights by contacting the Company's human resource department.

15. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Participant at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

16. Other Plans. The Participant acknowledges that any income derived from the exercise of the Option shall not affect the Participant's participation in, or benefits under, any other benefit plan or other contract or arrangement maintained by the Company.

17. Counterpart Execution. This Agreement has been executed in two counterparts, each of which shall be deemed an original and both of which constitute one and the same document.

18. Restrictive Covenant; Clawback.

(a) (i) If, at any time within (A) the seven-year term of this grant; (B) two years after the termination of employment; or (C) two years after the Participant exercises any portion of this grant, whichever is the latest, the Participant, in the determination of the management of the Company, engages in any activity in competition with any activity of the Company, or inimical, contrary or harmful to the interests of the Company, including, but not limited to:

(1) conduct related to his or her employment for which either criminal or civil penalties against him or her may be sought;

(2) violation of Company policies, including, without limitation, the Company's Insider Trading Policy and Global Standards of Business Conduct;

(3) directly or indirectly, soliciting, placing, accepting, aiding, counseling or providing consulting for any Insurance Services for any existing Company Account or any actively solicited Prospective Account of the Company for which he or she performed any of the foregoing functions during the two-year period immediately preceding such termination; or providing Benefit Services the

Company is involved with, for any existing Company Account or any Prospective Account of the Company for which the Participant performed any of the foregoing functions during the two-year period immediately preceding such termination; **provided, that this subsection is subject to any special terms and conditions set forth in any addendum to this Agreement for the state a Participant is employed by the Company in, or primarily performing work for the Company in ("Addendum");**

(4) recruiting, luring, enticing, employing or offering to employ any current or former employee of the Company or engaging in any conduct designed to sever the employment relationship between the Company and any of its employees;

(5) disclosing or misusing any trade secret, Confidential Information or other non-public confidential or proprietary material concerning the Company except as specifically permitted under Section 19; or

(6) participating in a hostile takeover attempt of the Company;

then this grant of stock options and all other grants of stock options held by the Participant shall terminate effective as of the date on which the Participant enters into such activity, unless terminated sooner by operation of another term or condition of this Agreement or the Plan, and any gain realized by the Participant from the exercise of all or a portion of this or any grant of stock options shall be repaid by the Participant to the Company. Such gain shall be calculated based on the difference between the closing price per share of the Common Stock as quoted on the New York Stock Exchange on the date of exercise (or, at the discretion of the Committee, the real time price per share of the Common Stock at the time of exercise) and the exercise price of the stock option, multiplied by the number of stock options exercised on such date, plus interest measured from the first date the Participant engaged in any of the prohibited activities set forth above at the highest rate allowable under Delaware law.

(ii) The Option and all other grants of stock options held by the Participant shall also be subject to recovery by the Company under its compensation recovery policy, as amended from time to time.

(iii) The Participant acknowledges that Participant's engaging in activities and behavior in violation of Section 18(a)(i) above will result in a loss to the Company which cannot reasonably or adequately be compensated in damages in an action at law, that a breach of this Agreement will result in irreparable and continuing harm to the Company and that therefore, in addition to and cumulative with any other remedy which the Company may have at law or in equity, the Company shall be entitled to injunctive relief for a breach of this Agreement by the Participant. The Participant acknowledges and agrees that the requirement in Section 18(a)(i) above that the Participant disgorge and pay over to the Company any option gain realized by the Participant is not a provision for liquidated damages. The Participant agrees to pay any and all costs and expenses, including reasonable attorneys' fees, incurred by the Company in enforcing any breach of any covenant in this Agreement.

(b) By accepting this grant, the Participant consents to deductions from any amounts the Company owes the Participant from time to time (including amounts owed as

wages or other compensation, fringe benefits or vacation pay, as well as any other amounts owed to the Participant by the Company) to the extent of the amounts the Participant owes the Company under Section 18(a) above. Whether or not the Company elects to make any set-off in whole or in part, if the Company does not recover by means of set-off the full amount owed, calculated as set forth above, the Participant agrees to pay immediately the unpaid balance to the Company.

19. Exception to Confidentiality Provision. Notwithstanding the generality of these prohibitions relating to Confidential Information, the Participant acknowledges that nothing in this Agreement, prohibits the Participant from reporting possible violations of federal law or regulation to any governmental agency or entity including, without limitation, the Department of Justice, the Securities and Exchange Commission, Congress, and any agency of the Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation.

20. Governing Law. This Agreement shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

21. Waiver. By accepting the grant of the Option or exercising it, the Participant waives any right to compensation or damages in consequence of the termination of his or her office or employment with the Company or any Subsidiary for any reason (and whether or not such termination is lawful) insofar as those rights arise or may arise, from his or her ceasing to have rights under or be entitled to exercise any option under the Plan as a result of such termination or from the loss or diminution in value of such rights or entitlement.

22. Private Placement. This grant of Options is not intended to be a public offering of securities in the Participant's country. The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and this grant of Options is not subject to the supervision of the local securities authorities.

23. Insider Trading. The Participant acknowledges that, depending on Participant's or the Participant's broker's country of residence or where the Company shares are listed, the Participant may be subject to insider trading restrictions and/or market abuse laws which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of Company shares, rights to shares or rights linked to the value of shares during such times the Participant is considered to have "inside information" regarding the Company as defined in the laws or regulations in the Participant's country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before the Participant possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Third parties includes fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's Insider Trading Policy and Global Standards of Business Conduct. The Participant acknowledges that it is the Participant's responsibility to comply with any restrictions and is advised to speak to the Participant's personal advisor on this matter.

24. Exchange Controls. As a condition to this grant of Options, the Participant agrees to comply with any applicable foreign exchange rules and regulations.

25. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

26. Addendum. This grant of Option shall be subject to any special terms and conditions set forth in any addendum to this Agreement for the Participant's country ("Addendum"). Moreover, if the Participant relocates to one of the countries included in the Addendum, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules and/or regulations or facilitate the operation and administration of the Options and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant's relocation). The Addendum constitutes part of this Agreement.

27. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law. To the extent a court or tribunal of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, in whole or in part, the Company, in its sole discretion, shall have the power and authority to revise or strike such provision to the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.

28. Entire Agreement. This Agreement, the Grant Notice and the Plan constitute the entire agreement between the Participant and the Company regarding the award of Options and supersede all prior and contemporaneous agreements and understandings, oral or written, between the parties regarding the award.

29. Language. If the Participant has received this Agreement, Grant Notice or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

30. Change in Control. Upon the occurrence of a Change in Control, as defined in the Plan, this Agreement and the Option granted hereunder shall be governed by Section 4.8 of the Plan.

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

ARTHUR J. GALLAGHER & CO.

By: _____
Walter D. Bay
Vice President, General Counsel and
Secretary

PARTICIPANT

[Signed Electronically]

**FORM OF ARTHUR J. GALLAGHER & CO.
PERFORMANCE SHARE UNIT GRANT AGREEMENT**

Participant	
Grant Date	
Number of Performance Share Units subject to this Performance Share Unit Award	
Performance Period	
Earned Performance Share Units	The number of Earned Performance Share Units subject to this Performance Share Unit Award shall be based on achievement of the Performance Measures during the Performance Period pursuant to Section 4 of this Agreement.
Vesting Date	<p>100% of the Earned Performance Share Units shall vest on the third anniversary of the Grant Date, provided the Participant remains continuously employed by the Company through the Vesting Date.</p> <p>However, in the event of the Participant's Retirement, the vesting of the Earned Performance Share Units will be governed by Section 5(b) of this Agreement. In the event of the Participant's termination of employment due to death or Disability, the vesting of Performance Share Units will be governed by Section 5 of the attached Agreement.</p>

BY MY ELECTRONIC ELECTION TO ACCEPT THE TERMS AND CONDITIONS OF THIS GRANT OF PERFORMANCE SHARE UNITS (WHICH SERVES AS MY ELECTRONIC SIGNATURE OF THE AGREEMENT), I AGREE THAT MY PARTICIPATION IN THE PLAN IS GOVERNED BY THE PROVISIONS OF THE PLAN AND THE AGREEMENT. (INCLUDING THE DELAWARE CHOICE OF GOVERNING LAW AND ITS OTHER TERMS AND CONDITIONS AND THE ADDENDUM, IF ANY, FOR MY COUNTRY OF RESIDENCE). IF I FAIL TO ACCEPT THE TERMS AND CONDITIONS OF THIS AWARD WITHIN NINETY (90) DAYS OF THE GRANT DATE SET FORTH ABOVE, THE COMPANY MAY DETERMINE THAT THIS AWARD HAS BEEN FORFEITED.

PERFORMANCE SHARE UNIT GRANT AGREEMENT

This Performance Share Unit Grant Agreement (this "Agreement"), effective as of the Grant Date shown above, between Arthur J. Gallagher & Co., a Delaware corporation (the "Company"), and the Participant named above, sets forth the terms and conditions of a grant of a performance unit award (this "Performance Share Unit Award") under the Arthur J. Gallagher & Co. 2022 Long-Term Incentive Plan (the "Plan"). This Performance Share Unit Award is subject to all of the terms and conditions set forth in the Plan and this Agreement. In the event of any conflict, the Plan will control over this Agreement.

1. Definitions. For purposes of this Agreement, the following capitalized terms shall have the meanings set forth below; other capitalized terms used in this Agreement shall have the meaning specified for such terms in the Plan, unless a different meaning is specified in this Agreement:

(a) "Benefit Services" means any employee benefit brokerage, consulting, or administration services, in the areas of group insurance, defined benefit and defined contribution pension plans, individual life, disability and capital accumulation products, and all other employee benefit areas.

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

(c) "Company" shall mean the Company and any corporation 50% or more of the stock of which is beneficially owned directly by the Company or indirectly through another corporation or corporations in which the Company is the beneficial owner of 50% or more of the stock.

(d) "Company Account" will be construed broadly to include all users of insurance services or benefit services including commercial and individual consumers, risk managers, carriers, agents and other insurance intermediaries; **provided that, this subsection is subject to any special terms and conditions set forth in any addendum to this Agreement for the state a Participant is employed by the Company in, or primarily performing work for the Company in ("Addendum").**

(e) "Confidential Information" will be construed broadly to include confidential and proprietary data and trade secret information of the Company which is not known either to its competitors or within the industry generally and which has independent economic value to the Company, and is subject to reasonable efforts that are reasonable under the circumstances to maintain its secrecy, and which may include, but is not limited to: data relating to the Company's unique marketing and servicing programs, procedures and techniques; investment, wealth management and retirement plan consulting, variable annuities, and fund investment business and related products and services; underwriting criteria for general programs; business, management and human resources/personnel strategies and practices; the criteria and formulae used by the Company in pricing its insurance and benefits products and claims management, loss control and information management services; the structure and pricing of special insurance packages negotiated with underwriters; highly sensitive information about the Company's agreements and relationships with underwriters; sales data contained in various tools and resources (including, without limitation, Salesforce.com); lists of prospects; the identity, authority and responsibilities of key contacts at Company accounts and prospects; the composition and organization of Company accounts' businesses; the peculiar risks inherent in the

operations of Company accounts; highly sensitive details concerning the structure, conditions and extent of existing insurance coverages of Company accounts; policy expiration dates, premium amounts and commission rates relating to Company accounts; risk management service arrangements relating to Company accounts; loss histories relating to Company accounts; candidate and placement lists relating to Company accounts; the Company's personnel and payroll data including details of salary, bonus, commission and other compensation arrangements; and other data showing the particularized insurance or consulting requirements and preferences of Company accounts.

(f) "Direct or indirect solicitation" means, with respect to a Company Account or Prospective Account, the following (which is not intended to be an exhaustive list of direct or indirect solicitation, but is meant to provide examples of certain reasonably anticipated scenarios): (i) sending of an announcement by the Participant or on the Participant's behalf to any Company Account or Prospective Account, the purpose of which is to communicate that the Participant has either formed his own business enterprise or joined an existing business enterprise that will offer products or services in any way competitive with the Company; (ii) initiating a communication or contact by the Participant or on the Participant's behalf with any Company Account or Prospective Account for the purpose of notifying such Company Account or Prospective Account that the Participant has either formed his own business enterprise or joined an existing business enterprise that will offer products or services in any way competitive with the Company; (iii) communication or contact by the Participant or on the Participant's behalf with any Company Account or Prospective Account if the communication in any way relates to insurance or benefits services; provided, however, nothing herein is intended to limit communications or contacts that are unrelated to insurance and/or benefits services; or (iv) the facilitation by the Participant, directly or indirectly, of any Company Account's execution of a broker of record letter replacing the Company as its broker of record.

(g) "Disability" shall have the meaning given to the term "Long-Term Disability" under the Arthur J. Gallagher & Co. Long-Term Disability Insurance Plan, as amended from time to time, or such successor long-term disability plan under which the Participant is covered at the time of determination.

(h) "Insurance Services" means any renewal, discontinuance or replacement of any insurance or reinsurance by, or handling self-insurance programs, insurance claims or other insurance administrative functions.

(i) "Prospective Account" means any entity (other than a then-current Company Account but including former Company Accounts) with respect to whom, at any time during the one year period preceding the termination of the Participant's employment with the Company, the Participant: (i) submitted or assisted in the submission of a presentation or proposal of any kind on behalf of the Company, (ii) had material contact or acquired Confidential Information as a result of or in connection with the Participant's employment with the Company, or (iii) incurred travel and/or entertainment expenses which were reimbursed by the Company to the Participant.

(j) "Retirement" means the Participant's voluntary Termination of Employment on or after the date that the Participant becomes Retirement Eligible.

(k) “Retirement Eligible” means the date that the Participant attains age 62.

(l) “Section 409A” means Section 409A of the Code, and the Treasury Regulations promulgated and other official guidance issued thereunder.

(m) “Termination of Employment” means a “separation from service” as defined under Section 409A, as determined in accordance with the Company’s Policy Regarding Section 409A Compliance.

2. Performance Share Unit Award. The Company hereby grants to the Participant this Performance Share Unit Award for the Number of Performance Share Units specified above. Each Performance Share Unit represents the right to receive one share of Common Stock (“Share”), subject to the terms and conditions set forth in this Agreement and the Plan. The Number of Performance Share Units that become Earned Performance Share Units is based on the achievement of the Performance Measures described in Section 4 during the Performance Period described in Section 3.

3. Performance Period. The period of time during which the Performance Measures described in Section 4 must be met in order to determine the Number of Performance Share Units earned under this Performance Share Unit Award is the Performance Period specified above.

4. Performance Measures.

(a) The number of Earned Performance Share Units under this Performance Share Unit Award shall be determined by reference to the Performance Measures described in Schedule A attached hereto. If applicable, Schedule A sets forth the weightings and minimum, threshold and maximum levels of performance (the “Performance Goals”) with respect to the Performance Measures, as determined by the Compensation Committee in its sole discretion.

(b) Actual performance against the Performance Measures must be approved by the Compensation Committee in order for any portion of this Award to be earned under this Section 4. The Compensation Committee will approve the results of the Performance Measures as soon as reasonably practicable (the date such approval is effective, the “Approval Date”) after the Performance Period. Any portion of this Performance Share Unit Award that is eligible to be earned based on the Committee’s approval will be earned as of the Approval Date (which may be the Vesting Date). Any portion of this Performance Share Unit Award that is not eligible to be earned based on the Compensation Committee’s approval will terminate as of the Approval Date.

5. Vesting; Termination and Retirement. Subject to Sections 5(a), (b), (c) and (d) below, Performance Share Units that are earned based on the achievement of the Performance Measures in Section 4 shall become vested on the Vesting Date shown on the first page, which is the third anniversary of the Grant Date.

(a) *Terminations of Employment Resulting in Forfeiture.* In the event the Participant’s employment with the Company terminates for any reason other than Retirement, death or Disability prior to the Vesting Date, then all Performance Share Units

subject to this Performance Share Unit Award shall automatically terminate and be forfeited, cancelled and of no further force or effect.

(b) *Retirement.* In the event the Participant becomes Retirement Eligible prior to the Vesting Date, then this Performance Share Unit Award shall no longer be subject to forfeiture or cancellation except as provided in Section 5(c) or Section 21 or if the Participant is terminated for cause; provided, however, that only a prorated portion of the Earned Performance Share Units (based on the number of months, rounded up, that the Participant was employed during the three-year period beginning on the Grant Date) shall become vested under this provision. Notwithstanding any provision of this Agreement to the contrary, any such prorated payment of Earned Performance Share Units shall continue to be made at the time and in the form set forth in Section 6.

(c) *Death or Disability.* Upon termination of the Participant's employment due to death or Disability, (i) if the Performance Period has concluded, the determination of Earned Performance Share Units shall be made as set forth in Section 6 and payment shall be made within 45 days following termination of employment; (ii) if the Performance Period has not concluded, the Participant's Performance Share Unit Award shall be considered vested as of such termination date and the Earned Performance Share Units shall be deemed to equal the Number of Performance Share Units granted under this Performance Share Unit Award, and the payment shall be made within 45 days following termination of employment.

(d) *Delay of Vesting.* Notwithstanding any provision of this Agreement to the contrary, if the Company considers that circumstances may be such that forfeiture may result under Section 21 or the Addendum, as applicable, the vesting of any Performance Share Units may be delayed in the sole and absolute discretion of the Company, for such period as the Company considers is reasonably necessary to investigate those circumstances and conclude whether such forfeiture is appropriate.

6. Payment. As soon as practicable after the Vesting Date, but in no event after the last day of the calendar year in which the Vesting Date occurs, the Participant shall receive the number of shares of Common Stock equal to the product of: (i) the Number of Performance Share Units subject to this Performance Share Unit Award; and (ii) the aggregate weighted percentage achievement of the Performance Measures determined pursuant to Section 4; provided, that if this calculation produces a fractional share, such fractional share shall be rounded up to the nearest whole share. For example, a Performance Share Unit Award for 1,000 Performance Share Units with a Performance Measure achievement level of 75% would result in delivery of 750 shares of Common Stock.

7. Dividend Equivalents. The Participant shall have no rights to any dividends or dividend equivalents on any of the Performance Share Units until the number of Earned Performance Share Units is determined following the end of the Performance Period. An account established by the Company on behalf of the Participant shall be credited with the amount of all dividends that would have been paid on the Earned Performance Share Units if such shares were actually held by the Participant ("Dividend Equivalents"). Dividend Equivalents begin to accrue beginning on the Grant Date based on the number of Earned

Performance Share Units. Such Dividend Equivalents shall be subject to the same vesting period applicable to the Earned Performance Share Units to which they relate. As soon as administratively practicable following the Vesting Date, but in no event later than 75 days following such date, any Dividend Equivalents shall be paid to the Participant in cash, without earnings thereon.

8. Administration. Any action taken or decision made by the Company or the Compensation Committee or its delegates arising out of or in connection with the construction, administration, interpretation or effect of the Plan or this Agreement shall lie within its sole and absolute discretion, as the case may be, and shall be final, conclusive and binding upon the Participant and all persons claiming under or through the Participant. By accepting this Award or other benefit under the Plan, the Participant and each person claiming under or through the Participant shall be conclusively deemed to have indicated acceptance and ratification of, and consent to, any action taken or decision made under the Plan by the Company or the Compensation Committee or its delegates.

9. No Right of Participation or Employment. The Participant shall not have any right to be employed, reemployed or continue employment by the Company or any Subsidiary or affect in any manner the right of the Company or any Subsidiary to terminate the employment the Participant with or without notice at any time for any reason without liability hereunder. The adoption and maintenance of the Plan shall not be deemed to constitute a contract of employment or otherwise between the Company or any Subsidiary and the Participant, or to be a consideration for or an inducement or condition of any employment.

10. Nature of Grant. In accepting this grant of Performance Share Units, the Participant acknowledges that:

- (a) The Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;
- (b) This award of Performance Share Units is a one-time benefit and does not create any contractual or other right to receive future grants of Performance Share Units, benefits in lieu of Performance Share Units, or other Plan benefits in the future, even if Performance Share Units have been granted repeatedly in the past;
- (c) All decisions with respect to future Performance Share Unit grants, if any, and their terms and conditions, will be made by the Company, in its sole discretion;
- (d) Nothing contained in this Agreement is intended to create or enlarge any other contractual obligations between the Company and the Participant;
- (e) The Participant is voluntarily participating in the Plan;
- (f) The future value of the Shares underlying the Performance Share Unit Award is unknown and cannot be predicted with certainty;

In addition, the following provisions apply if the Participant is providing services outside the United States:

- (g) The Performance Share Unit Award and shares of Common Stock subject to the Performance Share Units are:
- (i) extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or its subsidiaries, and are outside the scope of the Participant's employment contract, if any;
 - (ii) not intended to replace any pension rights or compensation;
 - (iii) not part of the Participant's normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits, or similar payments and in no event should they be considered as compensation for, or relating in any way to, past services for the Company or any of its subsidiaries;
- (h) In consideration of the Performance Share Unit Award, no claim or entitlement to compensation or damages shall arise from the Performance Share Units resulting from Termination of Employment (for any reason whatsoever) and the Participant irrevocably releases the Company and its subsidiaries from any such claim that may arise; if any such claim is found by a court of competent jurisdiction to have arisen, then, by signing or electronically accepting this Agreement, the Participant shall be deemed irrevocably to have waived the Participant's entitlement to pursue such claim;
- (i) Neither the Company nor any of its subsidiaries shall be liable for any change in value of the Performance Share Unit Award, the amount realized upon settlement of the Performance Share Units or the amount realized upon a subsequent sale of any shares of Common Stock acquired upon settlement of the Performance Share Units, resulting from any fluctuation of the United States Dollar/local currency foreign exchange rate.

11. Rights as Stockholder. Unless and until shares of Common Stock are issued to the Participant under this Agreement, nothing in this Agreement or the Plan shall be interpreted or construed as giving the Participant any rights as a stockholder of the Company or any right to become a stockholder of the Company.

12. Clawback, Forfeiture or Recoupment. Any shares of Common Stock paid to the Participant under this Performance Share Unit Award will be subject to the Company's Incentive Compensation Recovery Policy, as well as any other or additional "clawback," forfeiture or recoupment policy adopted by the Company after the date of this Agreement, unless otherwise indicated in this Agreement or the Addendum.

13. Tax Withholding.

(a) Regardless of any action the Company takes with respect to any or all income tax (including U.S. federal, state and local taxes and/or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding (“Tax-Related Items”), the Participant acknowledges that the ultimate liability for all Tax-Related Items legally due by the Participant is and remains the Participant’s responsibility and that the Company (a) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Performance Share Unit Award, including the grant of the Performance Share Units, the vesting of the Performance Share Units, the subsequent sale of any shares of Common Stock acquired pursuant to the Performance Share Units and the receipt of any dividends or dividend equivalents; and (b) does not commit to structure the terms of the grant or any aspect of the Performance Share Units to reduce or eliminate the Participant’s liability for Tax-Related Items. Further, if the Participant becomes subject to taxation in more than one country between the grant date and the date of any relevant taxable or tax withholding event, as applicable, the Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one country. For tax and withholding purposes and unless otherwise required under applicable law, the value of any shares of Common Stock issued shall be determined based on the closing stock price on the date of vesting regardless of when the Shares are actually credited to the Participant's account.

(b) If the Participant’s country of residence (and/or the country of employment, if different) requires withholding of Tax-Related Items, the Company may withhold a portion of the Shares otherwise issuable upon vesting of the Performance Share Units (or a portion of any cash proceeds where the Performance Share Units are settled in cash or a forced sale is required) that have an aggregate Fair Market Value sufficient to pay the Tax-Related Items required to be withheld with respect to the Shares. For purposes of the foregoing, no fractional Shares will be withheld or issued pursuant to the grant of the Performance Share Units and the issuance of Shares hereunder. If the obligation for Tax-Related Items is satisfied by withholding Shares or a portion of any cash proceeds (where the Performance Share Units are settled in cash or a forced sale is required), for tax purposes, the Participant shall be deemed to have been issued the full number of Shares subject to the vested Performance Share Units, notwithstanding that a number of the Shares (or a portion of any cash proceeds) are withheld solely for the purpose of satisfying any withholding obligations for the Tax-Related Items due as a result of any aspect of the Participant’s participation in the Plan. Alternatively, the Company may, in its discretion, withhold any amount necessary to pay the Tax-Related Items from the Participant’s regular salary or other amounts payable to the Participant, with no withholding of Shares, or may require the Participant to submit payment equivalent to the Tax-Related Items required to be withheld with respect to the Shares by means of certified check, cashier’s check or wire transfer. In the event the withholding requirements are not satisfied, no Shares will be issued to the Participant (or the Participant’s estate) upon vesting of the Performance Share Units (or no cash payment will be made where the Performance Share Units are settled in cash or a forced sale is required) unless and until satisfactory arrangements (as determined by the Company in its sole discretion) have been made by the Participant with respect to the payment of any such Tax-Related Items. By accepting the Performance Share Units, the Participant expressly consents to the methods of withholding as provided hereunder

and/or any other methods of withholding that the Company may adopted and are permitted under the Plan to meet the withholding and/or other requirements as provided under applicable laws, rules and regulations. All other Tax-Related Items related to the Performance Share Units and any Shares delivered in payment thereof shall be the Participant's sole responsibility.

(c) To the extent the Company pays any Tax-Related Items that are the Participant's responsibility ("Advanced Tax Payments"), the Company shall be entitled to recover such Advanced Tax Payments from the Participant in any manner that the Company determines appropriate in its sole discretion. For purposes of the foregoing, the manner of recovery of the Advanced Tax Payments shall include (but is not limited to) offsetting the Advanced Tax Payments against any and all amounts that may be otherwise owed to the Participant by the Company (including regular salary/wages, bonuses, incentive payments and Shares acquired by the Participant pursuant to any equity compensation plan that are otherwise held by the Company for the Participant's benefit).

(d) The Company may, in the discretion of the Committee, provide for alternative arrangements to satisfy applicable tax withholding requirements in accordance with Section 6.5 of the Plan.

14. Non-Transferability. Until the Restricted Period has lapsed, the Performance Share Units may not be transferred, assigned, pledged, or otherwise encumbered or disposed of other than by will or the laws of descent and distribution; provided, however, that the Committee may, in its discretion, permit the Performance Share Units to be transferred subject to such conditions and limitations as the Committee may impose.

15. No Right to Continued Employment. The Company is not obligated by or as a result of the Plan or this Agreement to continue the Participant's employment, and neither the Plan nor this Agreement shall interfere in any way with the right of the Company to terminate the employment of the Participant at any time.

16. No Rights as a Stockholder. The Participant shall not have a beneficial ownership interest in, or any of the rights and privileges of a stockholder as to, the Shares underlying the Performance Share Units, including the right to receive dividends and the right to vote such Shares underlying the Performance Share Units until such Performance Share Units vest and Shares are issued and transferred to the Participant in accordance with the terms of this Agreement. The Participant shall not be entitled to delivery of the Shares subject to the Performance Share Units award, or to the Dividend Equivalents related to such units, until the units have vested.

17. Notice and Consent to Transfer Personal Data. Pursuant to applicable personal data protection laws, the Company hereby notifies the Participant of the following in relation to the Participant's personal data and the collection, processing and transfer of such data in relation to the Company's grant of the Performance Share Units and the Participant's participation in the Plan. The collection, processing and transfer of the Participant's personal data is necessary for the Company's administration of the Plan and the Participant's participation in the Plan. The Participant's denial and/or objection to the collection, processing and transfer of personal data may affect the Participant's participation in the Plan. As such, the Participant voluntarily acknowledges and consents

(where required under applicable law) to the collection, use, processing and transfer of personal data as described herein.

The Company holds certain personal information about the Participant, including the Participant's name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all options or any other entitlement to Shares awarded, canceled, purchased, vested, unvested or outstanding in the Participant's favor, for the purpose of managing and administering the Plan ("Data"). The Data may be provided by the Participant or collected, where lawful, from third parties, and the Company will process the Data for the sole and exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Data processing will take place through electronic and non-electronic means according to logics and procedures strictly correlated to the purposes for which Data are collected and with confidentiality and security provisions as set forth by applicable laws and regulations in the Participant's country of residence. Data processing operations will be performed minimizing the use of personal and identification data when such operations are unnecessary for the processing purposes sought. Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Plan and for the Participant's participation.

The Company will transfer Data internally as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan, and the Company may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. The Participant hereby authorizes (where required under applicable law) for them to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on the Participant's behalf to a broker or other third party with whom the Participant may elect to deposit any Shares acquired pursuant to the Plan.

The Participant may, at any time, exercise their rights provided under applicable personal data protection laws, which may include the right to (a) obtain confirmation as to the existence of the Data, (b) verify the content, origin and accuracy of the Data, (c) request the integration, update, amendment, deletion, or blockage (for breach of applicable laws) of the Data, and (d) to oppose, for legal reasons, the collection, processing or transfer of the Data which is not necessary or required for the implementation, administration and/or operation of the Plan and the Participant's participation in the Plan. The Participant may seek to exercise these rights by contacting the Company's human resource department.

18. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Participant at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

19. Other Plans. The Participant acknowledges that any income derived from the Performance Share Unit Award shall not affect the Participant's participation in, or benefits under, any other benefit plan or other contract or arrangement maintained by the Company.

20. Delay of Payment. The Company may delay any payment to the Participant under the award and this Agreement if the Company reasonably anticipates that the Company would not be permitted to deduct such payment by reason of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"). In such event, the Company (without any determination or election as to timing by the Participant) will make such payment either (i) in the Participant's first taxable year in which the Company reasonably anticipates or should reasonably anticipate that Section 162(m) of the Code will not limit the Company's deduction of such payment, or (ii) during the period beginning on the date on which such Participant undergoes a Termination of Employment with the Company and ending on the last day of such taxable year (or if later, ending on the 15th day of the third month following the date of the Termination of Employment). If the Company delays payment until the Participant's Termination of Employment, then to the extent required by Section 409A of the Code, the payment will be subject to a six-month delay following the date of a Participant's Termination of Employment if the Participant is a "specified employee" (as defined by Section 409A of the Code) on the date of the Participant's Termination of Employment. Any delay of payment pursuant to this Section 20 shall be made in accordance with the requirements therefor under Section 409A, and this Section 20 shall be construed and administered in a manner consistent with Section 409A and Treasury Regulation 1.409A-2(b)(7) or the corresponding provision in future guidance issued by the Internal Revenue Service or the Treasury. By accepting this award, the Participant voluntarily acknowledges and consents to any delay of payment by the Company pursuant to this Section 20.

21. Restrictive Covenant; Clawback. For purposes of this Section, Company will also include Subsidiary.

(a) (i) If, at any time within (A) two years after the termination of employment; or (B) two years after the payment of any portion of this Performance Share Unit Award, whichever is the latest, the Participant, in the determination of the management of the Company, engages in any activity in competition with any activity of the Company, or inimical, contrary or harmful to the interests of the Company, including, but not limited to:

(1) conduct related to his or her employment for which either criminal or civil penalties against him or her may be sought;

(2) violation of Company policies, including, without limitation, the Company's Insider Trading Policy and Global Standards of Business Conduct;

(3) directly or indirectly, soliciting, placing, accepting, aiding, counseling or providing consulting for any Insurance Services for any existing Company Account or any actively solicited Prospective Account of the Company for which he or she performed any of the foregoing functions during the two-year period immediately preceding such termination; or providing Benefit Services the Company is involved with, for any existing Company Account or any Prospective Account of the Company for which

the Participant performed any of the foregoing functions during the two-year period immediately preceding such termination; **provided, that this subsection is subject to any special terms and conditions set forth in any addendum to this Agreement for the state a Participant is employed by the Company in, or primarily performing work for the Company in ("Addendum");**

(4) recruiting, luring, enticing, employing or offering to employ any current or former employee of the Company or engaging in any conduct designed to sever the employment relationship between the Company and any of its employees;

(5) disclosing or misusing any trade secret, Confidential Information or other non-public confidential or proprietary material concerning the Company except as specifically permitted under Section 22; or

(6) participating in a hostile takeover attempt of the Company;

then this Performance Share Unit Award, if unpaid at such time, and all other unpaid Performance Share Unit Awards held by the Participant shall terminate effective the date on which the Participant enters into such activity, unless terminated sooner by operation of another term or condition of this Agreement or the Plan, and any gain realized by the Participant with respect to the vesting of all or a portion of this or any other Performance Share Unit Awards shall be paid by the Participant to the Company, plus interest measured from the first date the Participant engaged in any of the prohibited activities set forth above at the highest rate allowable under Delaware law.

(ii) This Performance Share Unit Award and all other Performance Share Unit Awards held by the Participant shall also be subject to recovery by the Company under its compensation recovery policy, as amended from time to time.

(iii) The Participant acknowledges that the Participant's engaging in activities and behavior in violation of Section 21(a)(i) above will result in a loss to the Company which cannot reasonably or adequately be compensated in damages in an action at law, that a breach of this Agreement will result in irreparable and continuing harm to the Company and that therefore, in addition to and cumulative with any other remedy which the Company may have at law or in equity, the Company shall be entitled to injunctive relief for a breach of this Agreement by the Participant. The Participant acknowledges and agrees that the requirement in Section 21(a)(i) above that the Participant disgorge and pay over to the Company any gain realized by the Participant is not a provision for liquidated damages. The Participant agrees to pay any and all costs and expenses, including reasonable attorneys' fees, incurred by the Company in enforcing any breach of any covenant in this Agreement.

By accepting this Performance Share Unit Award, the Participant consents to deductions from any amounts the Company owes the Participant from time to time (including amounts owed as wages or other compensation, fringe benefits or vacation pay, as well as any other amounts owed to the Participant by the Company) to the extent of the amounts the Participant owes the Company under Section 21(a) above. Whether or not the Company elects to make any set-off in whole or in part, if the Company does not recover

by means of set-off the full amount owed, calculated as set forth above, the Participant agrees to pay immediately the unpaid balance to the Company.

22. Exception to Confidentiality Provision. Notwithstanding the generality of these prohibitions relating to Confidential Information, the Participant acknowledges that nothing in this Agreement, prohibits the Participant from reporting possible violations of federal law or regulation to any governmental agency or entity including, without limitation, the Department of Justice, the Securities and Exchange Commission, Congress, and any agency of the Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation.

23. Governing Law. This Agreement, this Performance Share Unit Award and all determinations made and actions taken pursuant thereto, to the extent not otherwise governed by the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

24. Private Placement. This grant of the Performance Share Unit Award is not intended to be a public offering of securities in the Participant's country. The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and this grant of the Performance Share Unit Award is not subject to the supervision of the local securities authorities.

25. Insider Trading. The Participant acknowledges that, depending on Participant's or the Participant's broker's country of residence or where the Company shares are listed, the Participant may be subject to insider trading restrictions and/or market abuse laws which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of Company shares, rights to shares or rights linked to the value of shares during such times the Participant is considered to have "inside information" regarding the Company as defined in the laws or regulations in the Participant's country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before the Participant possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Third parties includes fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's Insider Trading Policy and Global Standards of Business Conduct. The Participant acknowledges that it is the Participant's responsibility to comply with any restrictions and is advised to speak to the Participant's personal advisor on this matter.

26. Exchange Controls. As a condition to this grant of the Performance Share Unit Award, the Participant agrees to comply with any applicable foreign exchange rules and regulations.

27. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and

agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

28. Addendum. This grant of the Performance Share Unit Award shall be subject to any special terms and conditions set forth in any addendum to this Agreement for the Participant's country ("Addendum"). Moreover, if the Participant relocates to one of the countries included in the Addendum, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules and/or regulations or facilitate the operation and administration of the Performance Share Unit Award and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant's relocation). The Addendum constitutes part of this Agreement.

29. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law. To the extent a court or tribunal of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, in whole or in part, the Company, in its sole discretion, shall have the power and authority to revise or strike such provision to the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.

30. Entire Agreement. This Agreement and the Plan constitute the entire agreement between the Participant and the Company regarding the Performance Share Unit Award and supersede all prior and contemporaneous agreements and understandings, oral or written, between the parties regarding the award.

31. Language. If the Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

32. Change in Control. Upon the occurrence of a Change in Control, as defined in the Plan, this Agreement and all Performance Share Units awarded hereunder shall be governed by the Plan. If applicable, payment under this Section 32 shall be made as soon as administratively practicable following the Change in Control, but in no event later than 75 days thereafter.

[SIGNATURE PAGE FOLLOWS]

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

ARTHUR J. GALLAGHER & CO.

By: _____
Walter D. Bay
Vice President, General Counsel and
Secretary

PARTICIPANT

[Signed Electronically]

**PERFORMANCE SHARE UNIT GRANT AGREEMENT
ARTHUR J. GALLAGHER & CO.**

SCHEDULE A

		<u>Performance Goals</u>		
Performance Measure	Weighting	Minimum	Target	Maximum
Average Three-Year Adjusted EBITDAC per Share Growth	100%	4%	9%	14%

For purposes of this Agreement, “Adjusted EBITDAC” shall be defined as earnings from continuing operations for the Company’s brokerage and risk management reporting segments before interest, taxes, depreciation, amortization and change in estimated acquisition earn-out payables; and further adjusted to exclude lease abandonment charges, severance and book gains, and normalized for the impact of foreign currency translation.

The target award is 100%, the minimum award is 50%, and the maximum award is 200%. To achieve the target award, Average Three-Year Adjusted EBITDAC Per Share Growth of 9% must be achieved, for the minimum award 4% must be achieved, and for the maximum award 14% must be achieved.

If the actual performance approved by the Compensation Committee falls between the percentages specified above, the number of Earned Performance Share Units under this Performance Share Unit Award will be calculated using straight-line interpolation, and will be rounded down to the nearest whole number of Performance Share Units.

Subsidiaries of Arthur J. Gallagher & Co.

The following is a list of all of the majority-owned and consolidated subsidiaries of Arthur J. Gallagher & Co. as of December 31, 2023.

Company Name	Domicile
15588111 Canada Inc.	Canada
2950 Land Company Manager, LLC	United States
2950 Land Company, LLC	United States
A.C.N. 003 030 180 Pty Ltd	Australia
A.C.N. 061 063 303 Pty Ltd	Australia
A.C.N. 082 459 372 Pty Ltd	Australia
A.H. Horn and Associates Limited	Canada
accurART Kunstversicherungsmakler (Europe) AG	Liechtenstein
accurART Kunstversicherungsmakler AG	Switzerland
Adams & Porter Sociedade De Corretagem De Seguros Ltda.	Brazil
AJG Financial Services, LLC	United States
AJG Holding (Chile) Spa	Chile
AJG Meadows, LLC	United States
AJG North America ULC	Canada
AJGRMS Of Louisiana, LLC	United States
Alesco Risk Management Services Limited	United Kingdom
Alize Ltd.	Bermuda
Allied Claims Administration, Inc.	United States
Allied Risk Holdings Limited	Ireland
Allied Risk Insurance and Reinsurance Services Limited	Ireland
Allied Risk Management Limited	Ireland
American Freedom Carriers, Inc.	United States
Another Day Investigations Limited	United Kingdom
Another Day Limited	United Kingdom
Antrobus Investments Limited	United Kingdom
Arab Commercial Enterprises W.L.L.	Kuwait
Argentis Financial Group Limited	United Kingdom
Argentis Financial Management Limited	United Kingdom
Art Horn Enterprises Ltd.	Canada
Artex Risk Solutions (Singapore) Pte. Ltd.	Singapore
Artex Advisory & Analytics Ltd.	Bermuda
Artex Axcell (Guernsey) PCC Limited	Guernsey
Artex Axcell PIC Ltd.	Bermuda
Artex Axcell Re (Bermuda) Ltd.	Bermuda
Artex Axcell SEG Ltd.	Bermuda
Artex Corporate Services (Bermuda) Ltd.	Bermuda
Artex Corporate Services (Cayman) Ltd.	Cayman Islands
Artex Corporate Services (Gibraltar) Limited	Gibraltar
Artex Corporate Services (Malta) Limited	Malta
Artex Fund Services Ltd.	Bermuda
Artex Fund Services USA, Inc.	United States
Artex Holdings (Gibraltar) Limited	Gibraltar
Artex Holdings (Malta) Limited	Malta
Artex ILS Services UK Ltd	United Kingdom

Artex Insurance (Cayman) SPC Limited	Cayman Islands
Artex Insurance (Tennessee) PCCIC, Inc.	United States
Artex Insurance Brokers (Europe) PCC Limited	Malta
Artex Insurance ICC Limited	Guernsey
Artex Insurance Management (Bermuda) Ltd.	Bermuda
Artex Insurance Management (Cayman) Ltd.	Cayman Islands
Artex Insurance Management (Ireland) Limited	Ireland
Artex Intermediaries Ltd.	Bermuda
Artex Risk Solutions (Bermuda) Limited	Bermuda
Artex Risk Solutions (Cayman) Limited	Cayman Islands
Artex Risk Solutions (Gibraltar) Limited	Gibraltar
Artex Risk Solutions (Guernsey) Limited	Guernsey
Artex Risk Solutions (International) Limited	Guernsey
Artex Risk Solutions (Malta) Limited	Malta
Artex Risk Solutions (UK) Ltd	United Kingdom
Artex Risk Solutions, Inc.	United States
Artex Risk Solutions, Inc. (Anguilla)	Anguilla
Artex Services (Private) Limited	Sri Lanka
Arthur J. Gallagher (Singapore) Pte Ltd	Singapore
Arthur J. Gallagher Broking (NZ) Limited	New Zealand
Arthur J Gallagher (Norway) Holdings AS	Norway
Arthur J Gallagher Brim AB	Sweden
Arthur J Gallagher Nordic AB	Sweden
Arthur J Gallagher Panamá Corredores de Reaseguros SA	Panama
Arthur J Gallagher Proinova AB	Sweden
Arthur J Gallagher Proinova Agency AB	Sweden
Arthur J. Gallagher & Co (AUS) Limited	Australia
Arthur J. Gallagher & Co (NZ) Limited	New Zealand
Arthur J. Gallagher & Co. (Bermuda) Limited	Bermuda
Arthur J. Gallagher (Bermuda) Holding Partnership	Bermuda
Arthur J. Gallagher (Illinois), LLC	United States
ARTHUR J. GALLAGHER (LIFE SOLUTIONS) PTY LTD	Australia
Arthur J. Gallagher (Schweiz) AG	Switzerland
Arthur J. Gallagher (UK) Limited	United Kingdom
Arthur J. Gallagher Asesoria S.A.C.	Peru
Arthur J. Gallagher Australasia Holdings Pty Ltd	Australia
Arthur J. Gallagher Canada Limited	Canada
Arthur J. Gallagher Capital Markets, Inc.	United States
Arthur J. Gallagher Chile Corredores de Reaseguros S.A. (AJG Chile Re)	Chile
Arthur J. Gallagher Consulting GmbH	Switzerland
Arthur J. Gallagher Corredores de Seguros S.A. (AJG Chile Retail)	Chile
Arthur J. Gallagher Corredores de Seguros S.A. (Colombia)	Colombia
Arthur J. Gallagher Financial Services Professionals Risk Purchasing Group, LLC	United States
Arthur J. Gallagher Group Quebec ULC	Canada
Arthur J. Gallagher Holdings (Ireland) Limited	Ireland
Arthur J. Gallagher Holdings (UK) Limited	United Kingdom
Arthur J. Gallagher Insurance Brokers (Ireland) Limited	Ireland
Arthur J. Gallagher Insurance Brokers Limited	United Kingdom
Arthur J. Gallagher Investments, Inc.	United States
Arthur J. Gallagher Latin America, LLC	United States
Arthur J. Gallagher Peru Corredores de Reaseguros S.A.	Peru
Arthur J. Gallagher Peru Corredores de Seguros S.A.	Peru

Arthur J. Gallagher Re Colombia Ltda. Corredores de Reaseguros SA	Colombia
Arthur J. Gallagher Real Estate Risk Purchasing Group, LLC	United States
Arthur J. Gallagher Risk Management Services, LLC	United States
Arthur J. Gallagher Service Company, Inc.	United States
Arthur J. Gallagher Service Company, LLC	United States
Arthur J. Gallagher Services (UK) Limited	United Kingdom
Ashgrove Insurance Services Limited	United Kingdom
At Squared Holdings Limited	United Kingdom
Aurenda Pty Ltd	Australia
Aurenda Training Services Pty Ltd	Australia
Avantek Pty Ltd	Australia
Axe Insurance PCC Limited	Guernsey
Barnes Commercial Limited	United Kingdom
BCHR Canada Acquisition Corp.	Canada
BCHR Canada Holdings, Inc.	Canada
BCHR UK Holdings Ltd	United Kingdom
BCHR US Acquisitions, Inc.	United States
BCHR US Holdings, Inc.	United States
Bellisle Pty. Ltd.	Australia
Blueleaf Consulting Pty Limited	Australia
Bluewater Incorporated Cell Insurance Company	United States
BMM (P&T) Ltd	United Kingdom
Bollinger Insurance Services, Inc.	United States
Bollinger, Inc.	United States
Bollington Insurance Brokers Limited	United Kingdom
Bollington Underwriting Limited	United Kingdom
Bollington Wilson Group Limited	United Kingdom
Bollington Wilson Limited	United Kingdom
Bonus Drive Canada Limited	Canada
Buck Canada HR Services Limited/Services RH Buck Canada Limitee	Canada
Buck Capability Centre Private Limited	India
Buck Consultants (Administration & Investment) Limited	United Kingdom
Buck Consultants (Healthcare) Limited	United Kingdom
Buck Consultants Limited	United Kingdom
Buck Consultants Shareplan Trustees Limited	United Kingdom
Buck Global Deutschland GmbH	Germany
Buck Global Nederland B.V.	Netherlands
Buck Global, LLC	United States
Buck HR Securities LLC	United States
Buck Insurance Agency Limited	Canada
Buck Trustees (Guernsey) Limited	Guernsey
Caburn Hope Limited	United Kingdom
Cadence Insurance, Inc.	United States
Camco One Ltd	United Kingdom
Capsicum Reinsurance Brokers LLP	United Kingdom
CGM Gallagher Insurance Brokers (Trinidad & Tobago) Limited	Trinidad and Tobago
Charity First Insurance Services, Inc.	United States
Chris Frost Insurance Services Limited (In Liquidation 11/08/2023)	United Kingdom
Churchills International Consulting Limited	United Kingdom
Cintran Claims Canada Limited	Canada
CKH Limited	United Kingdom
CLA (Risk Solutions) Limited	United Kingdom

CLA Acquisitions Limited	United Kingdom
Claims Settlement Agencies Ltd	United Kingdom
Clements Belgium SPRL	Belgium
Clements Belgium SRL	Belgium
Clements Europe Limited	United Kingdom
Clements Europe Limited	United Kingdom
Clements Insurance Services Limited	Ireland
Clements Worldwide Limited	United Kingdom
Coleman Group (Holdings) Limited	United Kingdom
Coleman Holdings Limited	United Kingdom
College and University Scholastic Excess Risk Purchasing Group, LLC	United States
Complete Financial Balance Pty Ltd	Australia
CompuCar Limited	United Kingdom
Concert Consulting UK Limited	United Kingdom
Copper Mountain Assurance, Inc.	United States
Core Underwriting Services Inc.	Canada
Corporate Services Network Pty Ltd	Australia
Countrywide Accident Assistance Limited	United Kingdom
Dalton Browne Limited	United Kingdom
Devitt Insurance Services Limited	United Kingdom
Doyle Insurance Brokers (Wexford) Limited	Ireland
E. Coleman & Co. Limited	United Kingdom
Education Protect Limited	United Kingdom
Education Protect Northern Ireland Limited	United Kingdom
Education Protect Scotland Limited	United Kingdom
Effectus Consulting Pty Ltd	Australia
Elantis Premium Funding (Nz) Limited	New Zealand
Elantis Premium Funding Limited	Australia
Erimus Group Limited	United Kingdom
Erimus Holdings Teesside Limited	United Kingdom
Evolution Technology Services Limited	United Kingdom
F Wilson (Holdings) Limited	United Kingdom
F Wilson (Insurance Brokers) Limited	United Kingdom
F Wilson Group Limited	United Kingdom
FE Protect Ltd	United Kingdom
Fender Marine AS	Norway
Finergy Solutions Pty Ltd	Australia
First Ireland Risk Management Limited	Ireland
First Premium, Inc.	United States
Foley Healthcare Limited	United Kingdom
Fortify Marine Limited	United Kingdom
Fortress Financial Solutions Pty Ltd	Australia
Fortress Insurance LLC	United States
Four Corners Group Inc.	Canada
Fraser MacAndrew Ryan Limited	New Zealand
Freeboard Maritime Limited	United Kingdom
Friary Intermediate Limited	United Kingdom
Frontier Financial Services Limited	Bermuda
Gallagher Benefit Services Pty Ltd	Australia
Gallagher (Bermuda) Insurance Solutions Ltd.	Bermuda
Gallagher (Malta) Limited	Malta
Gallagher (Shanghai) Insurance Brokers Co. Ltd	China

Gallagher Affinity Insurance Services, Inc.	United States
Gallagher Argentina Corredores de Reaseguros S.A.	Argentina
Gallagher Bassett Canada Inc.	Canada
Gallagher Bassett Insurance Services Limited	United Kingdom
Gallagher Bassett International Ltd.	United Kingdom
Gallagher Bassett NZ Limited	New Zealand
Gallagher Bassett Services Pty Ltd	Australia
Gallagher Bassett Services Workers Compensation Victoria Pty Ltd	Australia
Gallagher Bassett Services, Inc.	United States
Gallagher Bassett Technical Services, LLC	United States
Gallagher Benefit Services (Canada) Group Inc.	Canada
Gallagher Benefit Services (Holdings) Limited	United Kingdom
Gallagher Benefit Services Management Company Limited	United Kingdom
Gallagher Benefit Services, Inc.	United States
Gallagher Benefits Consulting Limited	United Kingdom
Gallagher Bergvall AS	Norway
Gallagher Brasil Corretora De Resseguros Ltda.	Brazil
Gallagher Brasil Corretora de Seguros Ltda.	Brazil
Gallagher Brasil Holdings Ltda.	Brazil
Gallagher Broker Japan, Inc.	Japan
Gallagher Canada Acquisition Corporation	Canada
Gallagher Caribbean Group Limited	Saint Lucia
Gallagher Clean Energy, LLC	United States
Gallagher Colombia (UK) Holdings Limited	United Kingdom
Gallagher Colombia (UK) Limited	United Kingdom
Gallagher Communication Limited	United Kingdom
Gallagher Consulting Ltda	Colombia
Gallagher Corporate Benefits Pty Ltd	Australia
Gallagher Corporate Services, LLC	United States
Gallagher Energy Risk Services Inc.	Canada
Gallagher European Holdings Limited	United Kingdom
Gallagher Fiduciary Advisors, LLC	United States
Gallagher Global Cash Management Limited	United Kingdom
Gallagher Holdings (UK) Limited	United Kingdom
Gallagher Holdings Japan, Inc.	Japan
Gallagher Insurance Brokers (Barbados) Limited	Barbados
Gallagher Insurance Brokers (Cayman) Limited	Cayman Islands
Gallagher Insurance Brokers (Hong Kong) Limited	Hong Kong
Gallagher Insurance Brokers (St. Kitts & Nevis) Limited	Saint Kitts and Nevis
Gallagher Insurance Brokers (St. Lucia) Limited	Saint Lucia
Gallagher Insurance Brokers (St. Vincent) Limited	Saint Vincent and the Grenadines
Gallagher Insurance Brokers (Taiwan) Limited	Taiwan
Gallagher Insurance Brokers (Trinidad & Tobago) Limited	Trinidad and Tobago
Gallagher Insurance Brokers Jamaica Limited	Jamaica
Gallagher Insurance Brokers Private Limited	India
Gallagher Interbrok Corretora de Seguros Ltda.	Brazil
Gallagher International Cash Management SRL	Barbados
Gallagher International Finance Limited	Ireland
Gallagher International Holdings (US) Inc.	United States
Gallagher Investment Advisors, LLC	United States
Gallagher IP Solutions LLC	United States
Gallagher Japan, Inc.	Japan

Gallagher Korea Insurance Brokers Limited	Korea, Republic of
Gallagher Mississippi Brokerage, LLC	United States
Gallagher Parisco AS	Norway
Gallagher Quebec Compensation Inc.	Canada
Gallagher Re (Nordic) AS	Norway
Gallagher Re (Pty) Limited	South Africa
Gallagher Re (US), LLC	United States
Gallagher Re Bermuda Limited	Bermuda
Gallagher Re Canada Inc.	Canada
Gallagher Re GmbH	Germany
Gallagher RE Inc.	United States
Gallagher Re Italia S.p.A.	Italy
Gallagher Re Japan K.K.	Japan
Gallagher Re Labuan Limited	Malaysia
Gallagher Re Latin America Corretora de Resseguros Ltda.	Brazil
Gallagher Re Ltd	United Arab Emirates
Gallagher Re S.A.S.	France
Gallagher Reinsurance Australia Limited	Australia
Gallagher Reinsurance Brokers Bermuda Limited	Bermuda
Gallagher Reinsurance Brokers Miami, LLC	United States
Gallagher Risk & Reward Limited	United Kingdom
Gallagher Risk Group LLC	United States
Gallagher Risk Placements Pty Ltd	Australia
Gallagher Securities Europe SAS	France
Gallagher Securities Inc.	United States
Gallagher Securities Limited	United Kingdom
Gallagher Service Center LLP	India
Gallagher Sigorta Ve Reasurans Brokerligi Anonim Sirketi	Turkey
Gallagher Steel Courier Risk Purchasing Group, Inc.	United States
Gallagher Voluntary Benefits, LLC	United States
Gallagher's Excellence Center for Agencies Limitada	Colombia
Gault Armstrong SARL	New Caledonia
GBCare Texas HCN, LLC	United States
GBCare, LLC	United States
Gbs (Australia) Holdings Pty Ltd	Australia
GBS Administrators, Inc.	United States
GBS Insurance and Financial Services, Inc.	United States
GBS Retirement Services, Inc.	United States
GBS Specialty Markets, LLC	United States
GGB Finance 1 Limited	United Kingdom
GGB Finance 2 Limited	United Kingdom
GGB Finance 3 Limited	United Kingdom
GGB Finance 4 Limited	United Kingdom
GGB Finance 5 Limited	United Kingdom
Giles Holdings Limited	United Kingdom
Global Financial Brokers Limited	Trinidad and Tobago
Goggins Insurance Brokers Limited	Ireland
GPL Assurance Inc.	Canada
Greenseed Alternative Managers Platform Ltd.	Bermuda
Healthcare Professionals Purchasing Group, LLC	United States
Heath Lambert Limited	United Kingdom
Heath Lambert Overseas Limited	United Kingdom

Hexagon Insurance PCC Limited	Guernsey
HMG - PCMS Limited	United Kingdom
Home And Travel Limited	United Kingdom
Honour Point Limited	United Kingdom
Horseshoe Re Limited	Bermuda
Howell & Ryan Limited	Ireland
IBS Reinsurance Brokers Singapore Pte. Ltd.	Singapore
Innovu Bidco Limited	United Kingdom
Innovu Group Holding Company Limited	Ireland
Innovu Operations Limited	Ireland
Inspire Underwriting Limited	United Kingdom
Insurance Acquisitions Holdings Limited	United Kingdom
Insurance Dialogue Limited	United Kingdom
Insurance Plus Risk Purchasing Group, LLC	United States
Insure My Villa Limited	United Kingdom
I-Protect Underwriting Pty Limited	Australia
isure Pty Ltd	Australia
Just Landlords Insurance Services Ltd	United Kingdom
Keaney Insurance Brokers Limited	Ireland
Lifesure Group Limited	United Kingdom
Lifesure Limited	United Kingdom
Lucas Fettes and Partners Limited	United Kingdom
Lucas Fettes Limited	United Kingdom
MA Underwriting Pty Ltd	Australia
Manchester Underwriting Agencies Limited	United Kingdom
Manchester Underwriting Management Limited	United Kingdom
Matt Jensen Insurance Brokers Limited	New Zealand
Mecacem Insurance SPC, Ltd.	Cayman Islands
Medical Professional Indemnity Group Limited	United Kingdom
Mike Henry Insurance Brokers Limited	New Zealand
Mike Henry Insurance Funding Limited	New Zealand
Milne Alexander Pty Ltd	Australia
Momentum Canada Inc.	Canada
Monument Insurance (NZ) Limited	New Zealand
Monument Premium Funding Limited	New Zealand
MPM Finco Pty Ltd	Australia
MUM EUROPEAN HOLDINGS LIMITED	Malta
Mutual Brokers Pty. Limited	Australia
My Market Place Pty Ltd	Australia
My Plan Manager Group Pty Ltd	Australia
My Plan Manager.com.au Holdings Pty Ltd	Australia
My Plan Manager.com.au Pty Ltd	Australia
National Disability Support Partners Pty Limited	Australia
Nonprofit Insurance Risk Purchasing Group, LLC	United States
Northern Keep Limited	United Kingdom
OAMPS Ltd.	Australia
Offshore Market Placement Limited	New Zealand
Olayan Financing Company	Saudi Arabia
Oval EBT Trustees Limited	United Kingdom
Oval Insurance Broking Limited	United Kingdom
Oval Limited	United Kingdom
P.E. Kelly Insurances Limited	Ireland

Pastel Holding (NZ) Company Limited	New Zealand
Pastel Holdings Pty Limited	Australia
Pastel Purchaser (NZ) Limited	New Zealand
Pastel Purchaser Pty Limited	Australia
Pavey Group Holdings (UK) Limited	United Kingdom
Pavey Group Holdings Limited	United Kingdom
Pavey Group Limited	United Kingdom
Pelican Underwriting Management Limited	United Kingdom
PEN Insurance Management Advisors, Ltd.	Bermuda
Pen Underwriting Limited	United Kingdom
Pen Underwriting Pty Ltd	Australia
Phillips (Insurance and Finance Services) Limited	United Kingdom
Portmore Insurance Brokers (Wiltshire) Ltd	United Kingdom
Portmore Insurance Brokers Limited	United Kingdom
Premier Insurance Services, Inc.	United States
Professional Agents Risk Purchasing Group, Inc.	United States
Pronto California Agency, LLC	United States
Pronto Franchise, LLC	United States
Pronto General Agency, Inc.	United States
Pronto Insurance Agency of Laredo, Inc.	United States
Pronto Premium Finance, LLC	United States
Property & Commercial Limited	United Kingdom
Property Insurance Initiatives Limited	United Kingdom
Prophet Group Limited	United Kingdom
Prophet Reports & Collections Ltd	United Kingdom
Prophet Trade Credit Ltd	United Kingdom
Ptarmigan Underwriting Agency Limited	United Kingdom
Ptarmigan Underwriting UK Limited	United Kingdom
Public and Non-Profit Excess Risk RPG (PANPER) LLC (CA)	United States
Purple Bridge Claims Management Limited	United Kingdom
Purple Bridge Finance Limited	United Kingdom
Purple Bridge Group Limited	United Kingdom
Purple Bridge Investments Limited	United Kingdom
Purple Bridge Online Services Limited	United Kingdom
Purple Bridge Publishing Limited	United Kingdom
Quantum Underwriting Solutions Limited	United Kingdom
Quillco 226 Limited	United Kingdom
Quillco 227 Limited	United Kingdom
Quoteline Direct Limited	United Kingdom
R.A. Rossborough (Guernsey) Limited	Guernsey
R.A. Rossborough (Insurance Brokers) Limited	Jersey
R.A. Rossborough Limited	Jersey
Real Estate Services Council Risk Purchasing Group, LLC	United States
Rentguard Limited	United Kingdom
Resilience Re Ltd.	Bermuda
RGA Referencing Limited	United Kingdom
RGA Underwriting Limited	United Kingdom
RIBA Insurance Agency Limited	United Kingdom
RIL Administrators (Guernsey) Limited	Guernsey
Risk Management Partners Ltd.	United Kingdom
Risk Placement Services, Inc.	United States
Risk Program Administrators LLC	United States

Risk Services (NW) Limited	United Kingdom
Risk Solutions Group Limited	United Kingdom
Rosborough Healthcare International Limited	Guernsey
Rosborough Insurance (IOM) Limited	Isle of Man
Scholastic First Risk Purchasing Group, LLC	United States
Sentinel Indemnity, LLC	United States
Septagon Insurance PCC Limited	Guernsey
Smeri AB	Sweden
Srila Systems (Private) Limited	Sri Lanka
Stackhouse Poland Bidco Limited	United Kingdom
Stackhouse Poland Group Limited	United Kingdom
Stackhouse Poland Holdings Ltd	United Kingdom
Stackhouse Poland Limited	United Kingdom
Stackhouse Poland Midco Limited	United Kingdom
Stafford Brokers Limited	United Kingdom
Star Newco Limited	United Kingdom
Stormclose Limited	United Kingdom
Strata Solicitors Ltd	United Kingdom
Super Advice Corporate Services Pty Ltd	Australia
Surecollect Limited	United Kingdom
Symmetry Private Insurance Limited	United Kingdom
Talbot Deane Investments Limited	United Kingdom
Tay River Holdings Ltd	United Kingdom
Teesside Insurance Consultants Limited	United Kingdom
The Bollington Group (Holdings) Limited	United Kingdom
The EHE Group, LLC	United States
Title & Covenant Brokers Ltd	United Kingdom
Title Investments Ltd	United Kingdom
Total Benefit Specialists Limited	Trinidad and Tobago
Towerhill Insurance Underwriters Inc.	Canada
Trafalgar Marine Trades Limited	United Kingdom
Travel Agents Risk Purchasing Group, Inc.	United States
Uni-Care, Inc.	United States
Unoccupied Direct Limited	United Kingdom
Vasek Insurance Services Limited	United Kingdom
Verbag Versicherungsberatungs AG	Switzerland
Vessel Protect Limited	United Kingdom
Watson Laurie Holdings Ltd	United Kingdom
Watson Laurie Ltd	United Kingdom
Wexford Financial Services Limited	Ireland
Wexford Insurances Group Limited	Ireland
WHTC Ltd	United Kingdom
William Cullen And Sons Limited	Ireland
Wilsons Commercial Insurance Services Ltd	United Kingdom
WIM Corretora De Seguros Ltda.	Brazil
Wood Interbros Participacoes Ltda.	Brazil
Wood Macvar Corretores De Seguros Ltda.	Brazil
WorldSmart Association, Inc.	United States
York Place Company Secretaries Limited	United Kingdom

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements, as listed below, of our reports dated February 9, 2024, with respect to the consolidated financial statements and related financial statement schedule of Arthur J. Gallagher & Co., and the effectiveness of internal control over financial reporting of Arthur J. Gallagher & Co., included in this Annual Report (Form 10-K) of Arthur J. Gallagher & Co. for the year ended December 31, 2023.

Form	Registration Statement No.	Description
Form S-8	333-87320 and 333-106535	Arthur J. Gallagher & Co. 1988 Nonqualified Stock Option Plan and Arthur J. Gallagher & Co. Non-Employee Directors' Stock Option Plan
Form S-8	333-106539	Arthur J. Gallagher & Co. Restricted Stock Plan
Form S-8	333-174497	Arthur J. Gallagher & Co. 2011 Long-Term Incentive Plan
Form S-8	333-197898	Arthur J. Gallagher & Co. 2014 Long-Term Incentive Plan, Arthur J. Gallagher & Co. Deferred Equity Participation Plan, Arthur J. Gallagher & Co. Deferred Cash Participation Plan and Arthur J. Gallagher & Co. Supplemental Savings and Thrift Plan
Form S-8	333-204976	Arthur J. Gallagher & Co. Employee Stock Purchase Plan
Form S-8	333-221274	Arthur J. Gallagher & Co. 2017 Long-Term Incentive Plan, Arthur J. Gallagher & Co. Deferred Equity Participation Plan, Arthur J. Gallagher & Co. Deferred Cash Participation Plan and Arthur J. Gallagher & Co. Supplemental Savings and Thrift Plan
Form S-8	333-252830	Arthur J. Gallagher & Co. Employees' 401(k) Savings and Thrift Plan
Form S-8	333-258331	Arthur J. Gallagher & Co. UK Employee Share Incentive Plan
Form S-3	333-254015	Debt Securities, Guarantees, Common Stock, Preferred Stock, Warrants, Depository Shares, Purchase Contracts, and Units
Form S-4	333-203203 333-214617 and 333-268400	Shares of Common Stock
Form S-8	333-262899	Arthur J. Gallagher & Co. Employees' 401(k) Savings and Thrift Plan and Arthur J. Gallagher & Co. Supplemental Savings and Thrift Plan
Form S-8	333-268401	Arthur J. Gallagher & Co. 2022 Long-Term Incentive Plan
Form S-8	333-273703	Arthur J. Gallagher & Co. Deferred Equity Participation Plan, Arthur J. Gallagher & Co. Deferred Cash Participation Plan and Arthur J. Gallagher & Co. Supplemental Savings and Thrift Plan

/s/ Ernst & Young LLP

Ernst & Young LLP

Chicago, Illinois
February 9, 2024

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each of the undersigned being a director of Arthur J. Gallagher & Co., a Delaware corporation (the "Company"), does hereby constitute and appoint WALTER D. BAY and DOUGLAS K. HOWELL, with full power to each of them to act alone, as the true and lawful attorneys and agents of the undersigned, with full power of substitution and resubstitution to each of said attorneys, to execute, file and deliver any and all instruments and to do any and all acts and things which said attorneys and agents, or any of them, deem advisable to enable the Company to comply with the Securities Exchange Act of 1934, as amended, and any requirements of the Securities and Exchange Commission in respect thereto, relating to the annual report on Form 10-K for the year ended December 31, 2023, including specifically, but without limitation of the general authority hereby granted, the power and authority to sign his or her name in the name and on behalf of the Company or as a director of the Company, as indicated below opposite his or her signature, to the annual report on Form 10-K for the year ended December 31, 2023 or any amendment or papers supplemental thereto; and each of the undersigned does hereby fully ratify and confirm all that said attorneys and agents or any of them, or the substitute of any of them, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned have subscribed these presents this 9^h day of February, 2024.

<u>Signature</u>	<u>Title</u>
<u>/s/ SHERRY S. BARRAT</u> Sherry S. Barrat	Director
<u>/s/ WILLIAM L. BAX</u> William L. Bax	Director
<u>/s/ TERESA H. CLARKE</u> Teresa H. Clarke	Director
<u>/s/ D. JOHN COLDMAN</u> D. John Coldman	Director
<u>/s/ DAVID S. JOHNSON</u> David S. Johnson	Director
<u>/s/ CHRISTOPHER C. MISKEL</u> Christopher C. Miskel	Director
<u>/s/ RALPH J. NICOLETTI</u> Ralph J. Nicoletti	Director
<u>/s/ NORMAN L. ROSENTHAL</u> Norman L. Rosenthal	Director

Rule 13a-14(a) Certification of Chief Executive Officer**Certification**

I, J. Patrick Gallagher, Jr., certify that:

1. I have reviewed this annual report on Form 10-K of Arthur J. Gallagher & Co.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a.) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b.) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c.) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d.) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a.) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b.) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 9, 2024

/s/ J. Patrick Gallagher, Jr.

J. Patrick Gallagher, Jr.
Chairman and Chief Executive Officer
(principal executive officer)

Rule 13a-14(a) Certification of Chief Financial Officer**Certification**

I, Douglas K. Howell, certify that:

1. I have reviewed this annual report on Form 10-K of Arthur J. Gallagher & Co.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a.) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b.) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c.) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d.) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a.) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b.) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 9, 2024

/s/ Douglas K. Howell

Douglas K. Howell
Vice President
Chief Financial Officer
(principal financial officer)

Section 1350 Certification of Chief Executive Officer

I, J. Patrick Gallagher, Jr., the chief executive officer of Arthur J. Gallagher & Co., certify that (i) the Annual Report on Form 10-K of Arthur J. Gallagher & Co. for the twelve month period ended December 31, 2023 (the "Form 10-K") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Arthur J. Gallagher & Co. and its subsidiaries.

Date: February 9, 2024

/s/ J. Patrick Gallagher, Jr.

J. Patrick Gallagher, Jr.
Chairman and Chief Executive Officer
(principal executive officer)

Section 1350 Certification of Chief Financial Officer

I, Douglas K. Howell, the chief financial officer of Arthur J. Gallagher & Co., certify that (i) the Annual Report on Form 10-K of Arthur J. Gallagher & Co. for the twelve month period ended December 31, 2023 (the "Form 10-K") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Arthur J. Gallagher & Co. and its subsidiaries.

Date: February 9, 2024

/s/ Douglas K. Howell

Douglas K. Howell
Vice President
Chief Financial Officer
(principal financial officer)

ARTHUR J. GALLAGHER & CO.

INCENTIVE COMPENSATION RECOVERY POLICY

Purpose

The Board of Directors of Arthur J. Gallagher & Co. (the “Company”) has adopted this incentive compensation recovery policy in furtherance of a corporate culture that promotes accountability and aligns with the Company’s compensation principles.

Administration

The administration of this Policy shall be overseen by the Compensation Committee of the Board and is intended to comply with, and to be administered and interpreted consistent with, Listing Standard 303A.14 adopted by the New York Stock Exchange to implement Rule 10D-1 under the Securities Exchange Act of 1934, as amended. The Compensation Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. This Policy shall be interpreted consistently with the requirements of Rule 10D-1 of the Exchange Act and any applicable rules, listing standards or regulations, as amended from time to time, and shall be applied to the fullest extent of applicable law. Any determinations made by the Compensation Committee shall be final and binding on all affected individuals.

Definitions

“**Accounting Restatement**” means a restatement of the Company’s financial statements due to the Company’s material noncompliance with any financial reporting requirement under the federal securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

“**Covered Executive**” means any current or former “officer” (as defined under Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended) of the Company.

“**Financial Measure**” means any measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, which shall include stock price and total shareholder return, and any measure that is derived wholly or in part from any such measure, including non-GAAP measures, regardless of whether such measure is presented within the financial statements or included in a filing with the Securities and Exchange Commission.

“**Incentive Compensation**” means compensation granted, earned, or vested based wholly or in part upon the attainment of one or more Financial Measures that was received by a person (i) on or after October 2, 2023 and after the person began service as a Covered Executive, and (ii) who served as a Covered Executive at any time during the performance period for the Incentive Compensation. Incentive Compensation shall be deemed “received” in the fiscal year during which the Financial Measure used to determine the applicable award of Incentive Compensation is attained, even if the grant, vest or payment of such Incentive Compensation occurs after the end of that fiscal year. For example, if an award is based on a Financial Measure for the year ended December 31, 2023, the award will be deemed received in 2023 even if paid in 2024.

“**Recovery Period**” means the three completed fiscal years immediately preceding the date on which the Audit Committee of the Board concludes, or reasonably should have concluded, that the Company is required to prepare a Restatement or a court, regulator, or other legally authorized body directs the Company to prepare a Restatement and any transition period of less than nine months that is within or immediately following such three fiscal years.

Recovery Policy

The Compensation Committee shall recover on a reasonably prompt basis the amount of any Incentive Compensation received by a Covered Executive during the Recovery Period that exceeds the amount of Incentive Compensation that otherwise would have been received if such Incentive Compensation were determined based on the applicable Restatement, in all cases calculated without regard to any taxes paid with respect to such compensation. For Incentive Compensation based on stock price or total shareholder return, where the amount of the Incentive Compensation is not subject to mathematical recalculation directly from the information in the Accounting Restatement, the Compensation Committee shall perform its calculation based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return.

This Policy is binding and enforceable against any beneficiaries, heirs, executors, administrators or any other legal representatives, successors or assigns of any Covered Executive.

Method of Recoupment

The Compensation Committee will determine, in its sole discretion, the method for recouping Incentive Compensation hereunder to the extent permitted by applicable law, including, without limitation, by requiring payment of such amounts to the Company, by set-off, or by reducing future compensation.

No Indemnification

The Company shall not indemnify any Covered Executives against the loss of any Incentive Compensation recovered pursuant to this Policy, including, without limitation any payment or reimbursement for costs related to any third-party insurance policy or any other similar product purchased by any Covered Executive that may cover against such loss.

Other Recoupment Rights

Any employment agreement, equity award agreement, or similar agreement entered into by the Company with any Covered Executive shall, as a condition to the grant of any benefit thereunder, require such Covered Executive to agree to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to any other policy, agreement or by law.

Advisors

The Compensation Committee may, in its sole discretion, retain any kind of advisor needed to fulfill its duties under this Policy. The Company shall provide for appropriate funding, as determined by the Compensation Committee, for the payment of compensation to any such advisor.

Impracticability

The Compensation Committee may determine that recovery is impracticable in accordance with any applicable exceptions under Rule 10D-1, including if the Compensation Committee determines that the direct expense paid to legal counsel or other third parties to assist in enforcing this Policy (including through litigation) would exceed the amount to be recovered after making a reasonable attempt to recover such amounts.

Amendment and Termination

The Compensation Committee shall review and recommend changes in the Policy to the Board from time to time, as appropriate. The Board may amend or terminate this Policy in its discretion pursuant to applicable law.

Effective Date

This Policy is effective as of the date adopted by the Board and applies to Incentive Compensation that is received by Covered Executives on or after October 2, 2023.